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# PRODUCER CONTRIBUTIONS FOR LIVESTOCK MARKET DEVELOPMENT

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HEARING  
BEFORE THE  
SUBCOMMITTEE ON LIVESTOCK AND  
FEED GRAINS  
OF THE  
COMMITTEE ON AGRICULTURE  
HOUSE OF REPRESENTATIVES  
EIGHTY-EIGHTH CONGRESS  
FIRST SESSION

ON  
H.R. 5860 and H.R. 5861

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MAY 2, 1963

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Serial J

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# PRODUCER CONTRIBUTIONS FOR LIVESTOCK MARKET DEVELOPMENT

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THURSDAY, MAY 2, 1963

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON LIVESTOCK AND FEED GRAINS,  
OF THE COMMITTEE ON AGRICULTURE,  
Washington, D.C.

The subcommittee met, at 10 a.m., pursuant to notice, in room 1310, Longworth House Office Building, the Honorable W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Poage, Jones of Missouri, Matthews, Purcell, Duncan, Olson, Matsunaga, Hoeven, Quie, and Short.

Also present: Representatives Johnson of Wisconsin and Findley. Christine S. Gallagher, clerk; Hyde H. Murray, assistant clerk; John Heimburger, counsel; Robert Bruce, assistant counsel; and Francis LeMay, consultant.

Mr. POAGE (presiding). The subcommittee will please come to order.

The subcommittee has met this morning to hear testimony on H.R. 5860 and H.R. 5861, which will be made a part of the record at this point.

(H.R. 5860 and H.R. 5861 follow:)

[H.R. 5860, 88th Cong., 1st sess.]

A BILL To amend section 407 of the Packers and Stockyards Act of 1921, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Packers and Stockyards Act of 1921, as amended, is amended by adding the following new subsection (c) to section 407:

"(c) Notwithstanding any other provision of law, the authority of the Secretary under this Act shall not apply to deductions made from sales proceeds for the purpose of financing promotion and research activities, including educational activities relating to livestock, meat, and other products covered by the Act."

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[H.R. 5861, 88th Cong., 1st sess.]

A BILL To amend section 407 of the Packers and Stockyards Act of 1921, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Packers and Stockyards Act of 1921, as amended, is amended by adding the following new subsection (c) to section 407:

"(c) Notwithstanding any other provision of law, the authority of the Secretary under this Act shall not apply to deductions made from sales proceeds for the purpose of financing promotion and research activities, including educational activities relating to livestock, meat, and other products covered by the Act."



Mr. POAGE. These bills would consider the matter of continuing deductions from the sale of livestock for promotion. It was hoped that these bills would provide a satisfactory solution to the problem that the livestock industry faces, and that they would be helpful to the whole industry.

It seems to me there is more unanimity of feeling about this matter than of any major matter that has come before this committee for a long time. The response that we have been getting from the various sections of the country indicates that.

We will now hear from Mr. James B. Nance, chairman of the National Live Stock and Meat Board. Mr. Nance has been before this committee on many occasions. We are glad always to hear from you.

**STATEMENT OF JAMES B. NANCE, CHAIRMAN, NATIONAL LIVE STOCK AND MEAT BOARD, ALAMO, TENN.; ACCOMPANIED BY ROBERT L. FARRINGTON, COUNSEL**

Mr. NANCE. Thank you, Mr. Chairman. This is a statement on behalf of the National Live Stock and Meat Board.

My name is James B. Nance, Alamo, Tenn. I am chairman of the National Live Stock and Meat Board, and am authorized by the directors of the board to give our full support to the approval of H.R. 5860 and H.R. 5861. In fact, it is evident both to me and to our board that enactment of the proposed legislation is vital to the continued existence of the board, and will be of lasting benefit to the producers and consumers of all red meat—beef, lamb, and pork.

I have been a hog producer all my life, am a past president of the National Swine Growers Council, and have also been president of the Tennessee Livestock Association, composed of producers of cattle, sheep, and hogs. I know from experience that the producers of all livestock have the same basic problem: continual improvement of their product and keeping the buying public aware of its value in terms of its cost, palatability, and nutritional qualities.

The National Live Stock and Meat Board is incorporated under the "not for profit" corporation laws of the State of Illinois. Its main office is in Chicago. The board has the same Federal tax exemption accorded to other similar organizations.

The directors of the board are leading producers, processors, and users of beef, lamb, and pork. The meat board was organized as a result of ideas originating within the livestock industry. The basic discussions began in 1919 when livestock slaughter was high, but prices to producers were not sufficient to return a reasonable profit. Out of these discussions came the realization that all segments of the livestock industry—farmers, ranchers, market agencies, packers, and farm organizations—had a stake in the welfare of the industry as a whole.

A study conducted in 1962 by a program and policy study committee of the board, headed by Dr. Herrell DeGraff of Cornell University, states that:

The primary factor that brought these groups together and which gave central focus to their discussions was the prevalent folklore of that time that high-level meat consumption was adverse to health. Some people believed that eating meat predisposed one to rheumatism. A more prevalent view, then supported even



by a considerable segment of the medical profession, was that a high-protein diet "overloaded the kidneys. \* \* \*" Vegetarian faddists were having a field day, and their sophistry was adversely affecting the public image of meat and therefore the market demand. It was these types of belief that the meat board set out to counteract by accumulating scientific nutritional information about meat and disseminating such knowledge to the public.

The organization of the National Live Stock and Meat Board was recommended by cattlemen in January 1922. About 21½ months later, March 10, 1922, the board was formally organized with 17 directors. Two of these directors were spokesmen for terminal markets, 2 represented retail distributors, 2 were meatpackers, and 11 were representatives of livestock producers.

The basic purposes of the meat board, as set forth in its original charter, are as follows:

- (a) To initiate and encourage research and education in regard to livestock and meat products;
- (b) To disseminate correct information about meat in diet and its relation to health; and
- (c) To do all things necessary to promote the interests of the livestock and meat industry.

Presently the board's directors, consisting of 41 members, represent the following organizations: livestock growers, feeders, and farm organizations, 20; meatpackers, 6; livestock marketing interests, 5; meat retailers, 3; restaurateurs, 1; and livestock and meat interests of individual States, 6.

The meat board carries out a number of promotional research and educational activities, including grants to schools, colleges, and other noted research institutions. It also has a staff of technical people, nutritionists, chemists, home economists, to study and work with technicians in the schools, universities, hospitals, and civic groups. By confining research expenditures mainly to recognized institutions and qualified research workers, the board seldom has to pay the full cost of a project, and is also able to participate in research on a much wider scale than if the projects were undertaken solely with personnel under the direct supervision of the board.

During the past 23 years—1939-63—the per capita consumption of meat has increased from 133.6 to 163.7 pounds.

I have said that passage of the legislation before this subcommittee today is vital to continuation of the meat board as an effective agency for meat promotion. That was not an understatement. From the beginning of its operations the board has been financed by collections from livestock producers and contributions from packers.

From 1922 through the fiscal year 1930-31, collections from producers were 5 cents per car of livestock with a similar contribution from participating packers. In 1931, the collection rate was increased to 25 cents per car, with an alternative to the market agencies who assembled the contributions for the board, and to the packers, of paying either the carlot rate, or a rate equal to 1 cent per head on cattle and one-third of a cent per head on hogs.

The collection rate now ranges from 2 to 3 cents per head on cattle, two-thirds of a cent to 1 cent on calves and hogs, and two-fifths of a cent to 1 cent on sheep and lambs. In the fiscal year 1960-61 collections from producers and contributions from packers for the board amounted to \$1,058,935.16.

Earlier in this statement I said that approval of the provisions of the two bills now before the subcommittee was vital to the existence of the National Live Stock and Meat Board. That was not an understatement.

Since the beginning of the meat board program—41 years ago—the per head contributions from livestock feeders and growers have been assembled by the marketing agencies handling the livestock. These collections are doubly important because they are also the basis upon which contributions are made by the packers. So if deductions from the growers decline, a corresponding reduction occurs in the money received from the packers.

During the 41 years since beginning of the meat board programs, the deductions from livestock feeders and growers have not been based upon written orders, but upon the general understanding and agreement, well known throughout the livestock industry, that no seller has to contribute to the board's program unless he wants to, and that deductions from the proceeds of any sale which are not entirely satisfactory to the owner and shipper, will be refunded upon request.

About June 1962, the Secretary of Agriculture published notice in the Federal Register of a proposed regulation which would require any person making a deduction for meat promotional purposes to hold a written authorization for such deduction. Based upon a full explanation of the meat board program, and a request by the Senate Committee on Appropriations, the issuance of the proposed order requiring written authorization in support of each meat board deduction has been extended by the Department of Agriculture until July 1, 1963.

In the press release of the Department of Agriculture commenting upon the extension, it was noted that the additional time permitted before the effective date should make it possible for the meat board to get legislation providing for continuance of the present meat promotion program.

Undoubtedly one factor in the decision of the Department of Agriculture to require written formalization of the authority for meat board deductions was the controversy that developed within the livestock industry over proposed changes which would have created problems in the application of the Packers and Stockyards Act as construed by the Department of Agriculture. The controversies within the industry have now been settled and the industry is more united than ever in its history.

But the interpretation of the Packers and Stockyards Act and regulations made by the Secretary as an outgrowth of this controversy have the effect of subjecting the meat industry to regulations which will make it most difficult, it not impossible, to continue the effective program which it has carried out for the past 41 years.

It clearly appears to be in the best interests of both the U.S. Department of Agriculture and the industry to exempt the program of the National Live Stock and Meat Board from the Packers and Stockyards Act.

Enactment of the provisions of H.R. 5860 and H.R. 5861 would accomplish those purposes and would put deductions for meat produc-

tion on the same basis as deductions for the promotion of other agricultural commodities.

Thank you, Mr. Chairman, for the privilege of presenting this statement.

Mr. POAGE. Thank you very much, Mr. Nance. With reference to your very last statement there with regard to the fact that this would put deductions for meat promotion on the same base as deductions for the promotion for other agricultural commodities; meat is the only commodity at the present time which cannot enjoy a program of this kind under the law. And all that would happen under this is that deductions might be made exactly as they are made for cotton, for turkeys, and for dairy products and for a dozen other agricultural products over the country—that is all that this would do, is that correct?

Mr. NANCE. That is correct.

Mr. POAGE. Mr. Hoeven.

Mr. HOEVEN. Mr. Nance, do you know of any opposition to this type of legislation?

Mr. NANCE. No, sir; I do not.

Mr. HOEVEN. I have one other question as to the makeup of your board of directors. Are the so-called country markets represented on your board of directors?

Mr. NANCE. Yes, sir; through auction markets. Is that what you mean?

Mr. HOEVEN. Yes, sir; the so-called country livestock markets?

Mr. NANCE. They are represented on it, on the board; yes.

Mr. HOEVEN. Thank you. That is all.

Mr. POAGE. Mr. Matthews.

Mr. MATTHEWS. I would like to submit for the record a telegram from the president of the Florida Cattlemen's Association in support of this legislation for the record.

Mr. POAGE. If the gentleman would modify his request to submit that along with a great many others that we have, rather than to include it at this point.

Mr. MATTHEWS. I will be delighted to do that. I was anxious for the gentleman to know that it was being supported by those in Florida.

Mr. POAGE. We will insert it along with the others.

Mr. Duncan.

Mr. DUNCAN. I, perhaps, ought to know more about this than I do, but as I understand it this will remove the authority of the Secretary to order that the agency should have a written order from the farmer, the owner of the cattle, before making the deduction?

Mr. POAGE. It would tend to remove the authority as to the deduction in its entirety. The Packers and Stockyards Act places a limitation upon what may be deducted from the sale of livestock by the marketing agencies. Any such deduction of any kind is prohibited from being made. The Packers and Stockyards Act, probably, prohibits any deductions being made for any of these purposes. The only purpose for which you can make them are those enumerated within the provisions of the act, such as for watering and weighing and handling and commissions on the livestock.



Mr. DUNCAN. I did not so understand his statement. The Secretary has merely issued an order that before any such deductions could be made that the packer had to have the authority from the producer in his possession. Am I wrong in my interpretation of what you said?

Mr. NANCE. It would be the marketing agency. It would not necessarily be a packer.

Mr. POAGE. You are not quite correct in that interpretation. I just said that my understanding of the law is that it prohibits all deductions. Of course, I think that the shipper can always direct the market agency to put his money anywhere he wants to.

Mr. DUNCAN. I see.

Mr. POAGE. What we are attempting is to clear this all up with this amendment. No matter how you interpret the law, if we pass this amendment, then we could make these deductions legally as they are made for all other commodities other than livestock.

Mr. DUNCAN. May I ask one more question?

Mr. POAGE. Yes.

Mr. DUNCAN. Are these made by the marketing agency without the written authorization of the owners thereof at the present?

Mr. NANCE. Yes, sir.

Mr. DUNCAN. They are now made?

Mr. NANCE. Yes, sir.

Mr. POAGE. They are made on the basis that if the shipper wants to get it back, he can get it back.

Mr. NANCE. I might elaborate a little, Mr. Poage. As I said in the statement, if someone requests that it not be made it will not be made at all in the first instance.

Mr. POAGE. Mr. Short.

Mr. SHORT. Mr. Duncan raises a very important point, so far as this whole consideration is concerned. It should be kept in mind that while these bills before the committee eliminate the necessity of prior authorization, this is still a completely voluntary operation. As Mr. Nance has just said, deductions will not be made if the shipper requests that they not be made at the time he sends his livestock to the market. If the deduction is automatically made, upon the shipper's request, the deduction will be refunded.

Another important fact here that should be borne in mind is that the deductions are also completely voluntary, so far as the marketing agency is concerned. If the stockyards company, the commission company, or the auction market concerned, do not wish to make this deduction from the proceeds of sale of livestock they are free to make that choice. This bill does not compel them to make these deductions.

Mr. POAGE. Mr. Quie.

Mr. QUIE. The only commodity which has a mandatory checkoff under the law is wool, is it not, and there the producer does not have the right to withhold or prevent the deduction from being made. He does not have that choice. The majority of woolgrowers decided to do it. And so, really, this is a completely voluntary provision, more so than that on wool.

Mr. POAGE. That is correct. The Wool Act has that in it.

Mr. QUIE. Also, if any livestock group other than the meat board wanted to have a deduction made they would be permitted to do so under this bill, is that right?

Mr. NANCE. They would what?

Mr. QUIE. They would be permitted to have a deduction made if they so desired?

Mr. NANCE. It would be optional on the part of the market.

Mr. POAGE. That is the point that Mr. Short pointed out, that no marketing agency has to make a deduction unless they want to do so. If the marketing agency wanted to do it, they could deduct it, but anybody could get it back. I think that the safeguard for the shipper lies in this fact that, certainly, no marketing agency will get away with the deduction of that kind very long if the livestock shippers do not want it. They do not have to do business with such a marketing agency. They can do business with someone else who does not deduct, and no deduction will be made that the producer does not want over any period of time or any extended area. Shippers still have the right to demand their deductions back.

Anybody can make the deduction at the present time if the owner of the livestock agrees. So we just leave this under the general law; but we do not, by adapting this proposed legislation, say that anybody making the deductions over the objection of the owner of the livestock can do so. The owner of the livestock, if he objects to it; if he does not want it, does not have to submit to any deduction.

Mr. QUIE. I am more familiar with the activities of the American Dairy Association. There the producers have complete charge of it, because of the voluntary nature of the deduction. And if it gets out of line a little bit the A.D.A. certainly hears from the producers. I do not think that we have any worry at all on this.

Mr. POAGE. Thank you, Mr. Nance.

Mr. NANCE. Thank you.

Mr. HEIMBURGER. May I ask a question?

Mr. POAGE. Certainly, you may.

Mr. HEIMBURGER. Mr. Nance, I am a purely theoretical farmer, and I have never sold any livestock on a terminal market.

Does the invoice or the statement which the Commission man sends to the shipper, to the livestock producer, indicate the item that is to be taken out?

Mr. NANCE. Yes.

Mr. HEIMBURGER. Does it, also, carry any kind of printed statement that if he does not like this deduction and wants it back, and applies within 90 days or something like that, that they will send it back to him?

Mr. NANCE. I think that in the majority of cases—maybe not all of the cases, but in the majority of cases that would be true. Certainly, it is the general understanding that that can be done.

Mr. HEIMBURGER. At least, the invoice would show that?

Mr. NANCE. It would show it, that is right.

Mr. HEIMBURGER. The deduction for the livestock and meat board of \$1.27 or something like that, so that this is not done without the knowledge—

Mr. NANCE. That is right.

Mr. HEIMBURGER. Of the seller?

Mr. NANCE. Yes.

Mr. QUIE. Will you yield there?

Mr. HEIMBURGER. Yes.

Mr. QUIE. I know that in some markets it has been taken up in their commission annual meetings, so this no longer is shown on the notice. However, this is understood within the organization.

Mr. NANCE. In most cases it is even posted.

Mr. QUIE. Yes.

Mr. SHORT. As a part of the tariff or schedule of market charges for services rendered.

Mr. NANCE. Yes, that is right, like the tariff.

Mr. HEIMBURGER. On the matter of the contribution by the packers, Mr. Nance, is this on a 50-50 basis—do they match the contributions?

Mr. NANCE. On their part—

Mr. HEIMBURGER. Is it on a volume basis or what?

Mr. NANCE. The participating packer contributes on the same per-head basis as the producer. Actually, it is based on their slaughter. This is in addition to the service they perform in making collections for the board on their direct purchases.

#### STATEMENT OF CARL NEUMAN, GENERAL MANAGER, NATIONAL LIVE STOCK AND MEAT BOARD, CHICAGO, ILL.

Mr. NEUMAN. It is matched on a per-head basis on the slaughter by the packer.

Mr. HEIMBURGER. Per head?

Mr. NEUMAN. That is right.

Mr. HEIMBURGER. I notice a variation on page 4, in the second paragraph, in that the collection rate now ranges from 2 cents to 3 cents per head on cattle, two-thirds of a cent to 1 cent on cows and hogs, and two-fifths of a cent to 1 cent on sheep and lambs. Why is that variation here? I assumed that this was uniform collection throughout the country.

Mr. NANCE. At the conclusion of the study report in 1962, which is referred to in this report, it was suggested that the deductions on the markets that would begin collections would be 3 cents on cattle, 1 cent a head on hogs, and 1 cent per head on sheep and lambs. And that is being done on the new markets that have come in since this report was published. Of course, it is optional with the market. If they desire to retain the 2 cents and not move to the 3 cents per head, that is their privilege. A lot of them have elected to stay on the 2-cent basis.

It is a thing that we hope can be worked out, so that we can move it to 3 cents per head, because we have two types of committees within the meat board which are new and which are functioning real well. Rather, there are three, the specie committees of beef, pork, and lamb, in which the producers have a big voice, practically a complete voice as to how this money will be spent. And we had hoped that from the additional revenue we could give to the specie committee more money for them to use as they might see fit in the promotion of beef, pork, or lamb as it should be decided.

Mr. HEIMBURGER. In other words, this program is so voluntary that the contributors can even decide just how much they will contribute; is that it?

Mr. NANCE. That is correct. And this may seem minor, but the marketing agencies say that their bookkeeping system, that is, so far as it is concerned, they would rather have it 1 cent rather than two-fifths of a cent.



Mr. HEIMBURGER. I can understand that. Just one more question. Does the meat board engage in any paid advertising?

Mr. NANCE. None whatsoever.

Mr. HEIMBURGER. That is, paid advertising or promotion?

Mr. NANCE. None whatsoever.

Mr. HEIMBURGER. Thank you.

Mr. POAGE. If those are all of the questions of Mr. Nance, we are very much obliged to you.

We will now hear from Mr. Aled P. Davies, vice president of the American Meat Institute.

#### STATEMENT OF ALED P. DAVIES, VICE PRESIDENT, AMERICAN MEAT INSTITUTE

Mr. DAVIES. Mr. Chairman and members, I do not have a formal statement. I would like to say that we are in hearty agreement with these two bills. And we subscribe to what Mr. Nance has said.

Our interest is long lasting and of some moment in the fortunes of the National Live Stock and Meat Board.

Answering your question, Mr. Heimburger, the packers contribute on their slaughter or what have you, between \$350,000 and \$400,000 a year.

The American Meat Institute itself makes a contribution for those packers who are not participating between \$15,000 or \$20,000 a year.

And then plus our collections, I would say that the packers' contributions and collections amount to about 50 percent of the budget of the National Live Stock and Meat Board, yet out of the 41 directors, we of the American Meat Institute only have 4 members and the other packer organizations, I think, have 2 apiece, so that the control and the direction of this voluntary association has consistently and will be under the control of the livestock producers themselves, although more than 50 percent of the total amount comes from us.

Mr. Chairman, with your permission, I would like to read a letter addressed to you from the president of the American Meat Institute at this point in the record as my testimony. This letter is addressed to Mr. W. R. Poage, chairman of the Livestock Feed Grains Subcommittee of the House Committee on Agriculture and reads as follows:

DEAR CONGRESSMAN POAGE: Ever since the establishment of the National Live Stock and Meat Board almost 40 years ago, the American Meat Institute as an association has financially supported the activities of the meat board. In addition, many of our individual members, both large and small, have made deductions for the meat board on livestock purchased from producers, and have matched the funds so collected to enable this organization to carry on its work for meat promotion and education. This has been an outstanding contribution to the livestock and meat industry, and it also has served well the interests of consumers by making them better acquainted with the nutritive qualities of all meats.

The National Live Stock and Meat Board also has made available grants for research which has resulted in increased knowledge about meat. Since about one-third of farm income is derived from meat animals, this activity makes an important contribution to the welfare of the entire agricultural economy.

An analysis of the regulation recently issued by the U.S. Department of Agriculture to be effective July 1, 1963, indicates that it would have the effect of terminating the program which has been carried out so effectively by the National Live Stock and Meat Board and financed jointly by the meatpacking industry and livestock producers. We, therefore, are in accord with and will

support legislation which will remove from Federal regulation the deductions from livestock sale proceeds made on behalf of the meat board.

We urge that corrective legislation be introduced as soon as possible to eliminate any uncertainty which may exist concerning the future of the National Live Stock and Meat Board.

Mr. POAGE. Thank you, Mr. Davies. Are there any questions?  
Mr. Short.

Mr. SHORT. I believe that in addition to the major packers, others are contributors to the Live Stock and Meat Board, other than the producers themselves; is that not true?

Mr. DAVIES. I believe that is correct, but, of course, there are some small packers, too, who contribute, large and small, and then we, through the meat institute make a grant every year to cover those people, those members of ours, who do not themselves contribute or match.

Mr. SHORT. I am wondering if there is anything in the Live Stock and Meat Board constitution and bylaws which would preclude some other interested segment of the industry from contributing to the board such as the food chains?

Mr. DAVIES. I do not know of any objection to it. I have not looked at the meat board charter recently, but I do not think they can be prevented from making contributions.

Mr. SHORT. Thank you.

Mr. POAGE. Thank you, Mr. Davies. We are very much obliged to you for your statement.

Mr. DAVIES. Thank you.

Mr. POAGE. We have with us Mr. Kenneth D. Naden, executive vice president of the National Council of Farmer Cooperatives. We will be glad to hear from you now, Mr. Naden.

#### STATEMENT OF KENNETH D. NADEN, EXECUTIVE VICE PRESIDENT, THE NATIONAL COUNCIL OF FARMERS COOPERATIVES

Mr. NADEN. I am Kenneth D. Naden, executive vice president of the National Council of Farmer Cooperatives. This organization is a national federation of farmer-owned and farmer-controlled cooperative marketing and purchasing associations. Our member organizations market for their farmer-members varying percentages of most commercial farm commodities and purchase for their farmer members their basic production supplies.

We appreciate the opportunity to bring to this subcommittee the views of this organization on H.R. 5860 and H.R. 5861. We support these bills to amend section 407 of the Packers and Stockyards Act of 1921 and urge the subcommittee to give them a favorable vote.

The National Council of Farmer Cooperatives is appearing before you today on behalf of one of its direct affiliates—National Live Stock Producers Association of Chicago, Ill. This organization is one of the largest and most influential agencies in the marketing of livestock throughout the country. Its membership includes 28 cooperative livestock marketing and livestock credit associations in most of the important livestock assembly, selling, and slaughter centers of the United States. Because of its nationwide operation, large volumes of busi-

ness, and professional selling ability, it has exercised a significant influence in stabilizing and raising farmers' income from growing of livestock. Its marketing objective is reached mainly by assembling large volumes for sale and injecting effective competition into the markets on behalf of growers.

Progressive and skillful marketing includes extensive promotion and advertising activities. Therefore, National Live Stock Producers Association has been a continuous supporter of and its farmer members have made a substantial financial contribution to the National Live Stock and Meat Board, the program of which is threatened by the amendment to the regulations of the Packers and Stockyards Act issued by the Secretary of Agriculture on February 26, 1963. The bills before us arise because of the crisis which would occur if the amendment were to become effective. The result would be a serious disruption to the program of the meat board and to effective marketing by producers. The reason for this is that prior written authorization by each and every farmer for a deduction from his returns from the sale of livestock for promotion purposes is infeasible. Therefore, the principal reason for livestock farmer support for these bills is because farmers recognize the value of the meat board's industry-wide promotion program and want it continued. It is part and parcel of their marketing activities. Effective promotion must have widespread support from livestock farmers and other segments of the meat industry. Recent increases in livestock numbers have raised meat production to an alltime high. Continuation of effective promotion programs is essential to maintenance of a strong consumer demand for these products.

Support of livestock farmers for the meat board activities is shown by the fact that they have been informed that if they object to the present checkoff plan all they need to do is to request a refund and it will be promptly paid to them. Very few growers have objected to the checkoff. Also grower organizations and feeder organizations have repeatedly used the services of the meat board, including personnel, to put on cooking as well as cutting demonstrations at their local and district meetings.

The bills H.R. 5860 and H.R. 5861 would permit a continuation of this important industrywide program. It has been a dramatic demonstration of the strength of the self-help principle and deserves continuing support. Longstanding congressional support for farmer cooperatives and for effective self-help activities will be reaffirmed by approval of these bills.

We support the view of the National Live Stock Producers Association and again urge the committee to approve H.R. 5860 and 5861.

Mr. POAGE. Thank you very much, Mr. Naden.

If there are no questions, we are very much obliged to you for appearing here.

Mr. NADEN. Thank you.

Mr. POAGE. We will next hear from Mr. Jack Jackson, director of public relations of the National Grange.

We will be glad to hear you now, sir.



## STATEMENT OF JACK JACKSON, DIRECTOR, PUBLIC RELATIONS, NATIONAL GRANGE

MR. JACKSON. Mr. Chairman, I am Jack Jackson and I am representing the National Grange.

In official session earlier this morning the Executive Committee of the National Grange instructed me to present this statement urging committee approval of H.R. 5860, H.R. 5861, and any other identical proposals which may be under consideration.

I think that members of this committee—and most others present—are familiar with circumstances which make us feel that there is pressing need for a Packers and Stockyards Act modification such as that called for by H.R. 5860.

These have already been adequately reviewed here by Mr. Nance and others this morning.

You know that, voluntarily through deductions from sales receipts, livestock producers have for more than 30 years substantially financed the operation of the National Live Stock and Meat Board.

Representatives of nonproducer segments of the livestock industry have likewise consistently and voluntarily contributed to the financial requirements of the board's operations.

The entire program of the board has been built upon this system of volunteer contributions. The history of this volunteer program of cooperation by all segments of the industry makes it perfectly clear that methods used are not in conflict with the interest of either producers, other segments of the industry, or the public.

However, it has recently been determined that the procedure used in making deductions from the producer's sale of livestock is in conflict with current provisions of the Packers and Stockyards Act. It is likewise apparent that there is no practicable, workable method through which the board can adjust its procedures so as to comply with present provisions of the act.

For these reasons appropriate modification of the act is highly desirable.

H.R. 5860 will legalize the deduction procedure long used to provide board funds and will provide a simple and equitable solution of problems involved.

Thus, the National Grange urges approval of H.R. 5860 by your committee and recommends passage by Congress at an early date.

MR. POAGE. Thank you for your statement.

If there are no questions, we are very much obliged to you.

We will now hear from Mr. John C. Datt, assistant to the director of the Washington office of the American Farm Bureau Federation.

We will be glad to hear you now, Mr. Datt.

## STATEMENT OF JOHN C. DATT, ASSISTANT TO THE DIRECTOR, WASHINGTON OFFICE, AMERICAN FARM BUREAU FEDERATION

MR. DATT. I am John C. Datt, assistant to the director of the Washington office. We have about a 2½-page statement. All of the points have been covered by others, Mr. Nance and the other witnesses, and I think that in the interest of saving time, I shall just file this statement and indicate to the committee on behalf of the American Farm

Bureau Federation that we do support the enactment of H.R. 5860 and H.R. 5861, in order that the present system of financing the Live Stock and Meat Board may be continued without interruption.

If there are any questions, I will be happy to answer them.

Mr. PoAGE. We are very much obliged to you. And without objection, you may revise any of your remarks. Your statement will be included in the record at this point.

(The prepared statement of John C. Datt follows:)

STATEMENT OF JOHN C. DATT, ASSISTANT TO THE DIRECTOR, WASHINGTON OFFICE,  
THE AMERICAN FARM BUREAU

We appreciate this opportunity to present Farm Bureau's views with regard to H.R. 5860 and H.R. 5861 and similar legislation to amend section 407 of the Packers and Stockyards Act of 1921 as it relates to deductions from sales proceeds for the purpose of financing programs to increase the demand for meat and meat products.

The Packers and Stockyards Act of 1921 as amended requires that livestock marketing agencies operating on public markets promptly remit to shippers the full proceeds of sales of their livestock after the deductions of authorized charges for such things as freight, feed, yardage, and selling commissions as set forth in tariff schedules approved by the Packers and Stockyards Administration.

Many market agencies have voluntarily cooperated with the National Live Stock and Meat Board over a period of 40 years by making small deductions from shippers' proceeds for the Meat Board. These funds are used to finance research and educational activities designed to increase the demand for meat and meat products. This has been the principal source of funds for the program carried on by the Meat Board since its inception 40 years ago. Livestock producers have always been free to ask that these deductions not be made and to obtain refunds.

Although this system of collecting funds has had the sanction of the livestock and meat industry and of the Packers and Stockyards Administration for a long period of time, there has always been the possibility that this situation could change if ever a legal challenge were made. Such a challenge was made last year through a suit brought by the National Beef Council against the Secretary of Agriculture, the Meat Board and certain market agencies. The Secretary of Agriculture, partly as a result of this suit, felt that he had no choice but to issue and enforce a new regulation published in the Federal Register June 30, 1962, which would prohibit such deductions without prior written consent by livestock producers. The proposed regulation also specified that market agencies making deductions for the Meat Board could not refuse to make deductions for other organizations.

It was the opinion of the National Live Stock and Meat Board and the market agencies that the proposed regulation would make it impractical, if not impossible, to collect funds for the Meat Board's program. Consequently, all major livestock and meat industry groups vigorously opposed the proposed regulation. The Secretary of Agriculture on February 27, 1963, revised the proposed regulation to become effective July 1 this year, even though the National Beef Council suit had been withdrawn in January and the livestock and meat industry had fully united behind the reorganized program of the National Live Stock and Meat Board. It is generally believed that unless the program regulation is withdrawn or Congress amends the Packers and Stockyards Act before July 1, 1963, the program of the National Live Stock and Meat Board will have to be greatly curtailed, if not discontinued.

We are pleased to note that all segments of the livestock and meat industry constituting the National Live Stock and Meat Board, as well as the U.S. Department of Agriculture and congressional leaders, recognize the necessity for prompt action of H.R. 5860 or similar legislation to make it clear that the authority of the Secretary of Agriculture under the Packers and Stockyards Act does not apply to deductions for meat promotion.

The effect of this proposed legislation would be to give livestock producers the same privilege enjoyed by producers of other commodities such as dairy products, fruits, vegetables, and poultry in financing the promotion of their commodities on a voluntary basis outside the jurisdiction of the Secretary of Agriculture. It



would also permit livestock market agencies and other to continue to cooperate in the present system of collecting funds for the Meat Board. Producers would continue to have the right to request that deductions not be made from shippers' proceeds and to obtain refunds. The proposed legislation would not require market agencies or others to make deductions for any organization nor would it prohibit them from doing so if, in their good judgment, there was strong support by livestock producers for such action.

This procedure is consistent with Farm Bureau policy over the years. Farm Bureau opposes proposals for compulsory deductions for promotional activities, but it strongly supports the right of producers to participate in voluntary programs such as that carried out by the National Live Stock and Meat Board.

We strongly urge prompt enactment of H.R. 5860 in order that the present voluntary system of financing the National Live Stock and Meat Board may be continued without interruption. Failure to enact such legislation would, in our opinion, greatly curtail, if not destroy, the well-coordinated program being carried on by the Meat Board.

Mr. POAGE. Mr. Short.

Mr. SHORT. Mr. Chairman, I might add for the information of Mr. Datt that I have some communications from State farm bureau organizations giving their support.

Mr. POAGE. I am sure that there are a number of those.

I should like to state that to this point we have had testimony from the National Council of Farmer Cooperatives, the American Farm Bureau Federation, the National Grange, and the National Meat Board, and it is my understanding that Mr. James Patton of the National Farmers Union is out of the country, but we have here a statement—or a telegram—from the Farmers Union of Nebraska, from the State president, who is also a member of the National Live Stock and Meat Board, expressing their unqualified support of the bill.

We have a widespread representation of support for this bill. I understand that at the moment, Mr. Liljenquist wants to testify. We will be glad to hear from you now, Mr. Liljenquist.

**STATEMENT OF L. BLAINE LILJENQUIST, PRESIDENT AND GENERAL MANAGER, WESTERN STATES MEATPACKERS ASSOCIATION, INC.**

Mr. LILJENQUIST. Thank you, Mr. Chairman. I am L. Blaine Liljenquist, president and general manager of the Western States Meatpackers Association.

I want to vigorously endorse what has been said here this morning in support of these bills.

The program of the National Live Stock and Meat Board is one of the very outstanding examples of cooperation under our free enterprise system in promoting an agricultural product. The results that are achieved from this program are tremendous, and it is because of the success of this program over the past 40 years that the Packers and Stockyards Act has permitted this program to continue, even though it was the view of the Department of Agriculture that it probably was a violation of the Packers and Stockyards Act, that is, that the deductions were not permitted except and unless they had a prior authorization before they were made, a prior authorization in writing.

Nevertheless, this is necessary to get this legislation in order that this wonderful program of promoting meat in the United States can continue.

Our association is represented on the board of directors of the National Live Stock and Meat Board. Our association is doing all it



can to promote this program with our members, so that they will all cooperate and participate in making financial contributions to this. We need promotion.

Our whole economy is based on promotion of products. That is one of the reasons why our standard of living is so high in this country; with 6 percent of the world's people we are producing about 50 percent of the world's wealth.

And so we want to continue our support for this program, and we hope that this committee will be unanimous in its approval of these bills and that you will all use your influence in helping to get this legislation enacted into law as quickly as possible.

Thank you.

Mr. POAGE. We are very much obliged to you, Mr. Liljenquist. We appreciate your appearance here today.

Is there anyone else in the room who wants to testify?

If not, I would at this time ask permission to insert into the record the report from the Department of Agriculture on these bills, which is favorable. The Department has no objection to the enactment of the bill in its present form. The Bureau of the Budget advises that, while there is no objection to the presentation of this report, time limitations have not permitted obtaining the views of the Federal Trade Commission and the Department of Justice on the proposed legislation.

(The report, dated May 1, 1963, follows:)

MAY 1, 1963.

HON. HAROLD D. COOLEY,  
*Chairman, Committee on Agriculture,*  
*House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is with reference to your committee's request for the Department's views on H.R. 5860, a bill "To amend section 407 of the Packers and Stockyards Act, 1921, as amended," and identical bill, H.R. 5861.

The Department has no objection to the enactment of the bill in its present form.

The bill would amend the Packers and Stockyards Act to provide that the authority of the Secretary under this act shall not apply to deductions made from sales proceeds for the purpose of financing promotion or research activities, including educational activities, relating to livestock, meat, and other products covered by the Packers and Stockyards Act. It is our understanding that the purpose of this proposed legislation is to exempt from regulation under the Packers and Stockyards Act deductions made for the types of activities referred to in the bill when carried out by producer-sponsored organizations such as the National Live Stock and Meat Board and that the bill is not intended to exempt from the Packers and Stockyards Act deductions which may be made for such activities carried out by organizations which are not producer sponsored. If the bill is enacted in its present form we would so interpret and administer it.

The exemption provided for in the proposed legislation will place livestock producers in the same position as the producers of other agricultural commodities with respect to such activities. It would appear only fair and equitable that the producers of this major agricultural commodity should be placed on the same basis in this regard as producers of other agricultural commodities.

The Bureau of the Budget advises that, while there is no objection to the presentation of this report, time limitations have not permitted obtaining the views of the Federal Trade Commission and the Department of Justice on the proposed legislation.

Sincerely yours,

ORVILLE L. FREEMAN.

Mr. POAGE. I would also like to ask permission to insert into the record a considerable list of statements by other groups and individuals, as well as telegrams.

Mr. JONES of Missouri. Would you yield for a parliamentary inquiry?

Mr. POAGE. Yes.

Mr. JONES of Missouri. Is it necessary that all of these be included in the record? Could we not just say that we have wires, and letters, and statements, and list the names from whom received?

I dislike to waste a lot of money printing them, if all of these are for it. I do not see any reason for spending the money for the printing of them. I think that we should have the list included in the record.

All we are trying to do is have support for this legislation. I know that other committees do it, but I just wonder if we could not be a little more realistic about this and just indicate that we have the letters, and the telegrams, and the statements, and list the names of the people from whom received, without including them in the record.

Do you see anything wrong with that?

Mr. POAGE. I think that is ordinarily a pretty good procedure. I have recognized that most of these are very short communications, except perhaps for the statements, but we will be guided by the wishes of the committee as to whether they want to have them put into the record or filed with the committee.

Mr. JONES of Missouri. I would say that if these people have indicated that they want to file a statement, I have no objection to that being printed, so long as it does not include a lot of extraneous material. However, I have observed these printed hearings, and when telegrams appear therein, every time they put in all of the heading and the closing and everything else and we get about three or four of them to a page, and it would be just as effective to indicate a list of the people who sent them.

I think it has the same effect. All of these will be on file with the committee and they will be available if anyone wants to check what the person has actually said.

Mr. POAGE. So far as I am concerned, I have no objection to putting a list in the record and then filing these endorsements with the committee. As I say, some have come in with statements attached, but most of them have not. Where they do not have statements attached, they will be filed. Where statements are attached, the statements will be made a part of the record, and the record will include a list of all endorsements which are filed.

Mr. SHORT. Mr. Chairman, I would concur with Mr. Jones' suggestion. I think that the committee staff should review the statements that have been forwarded to different members of this committee, and any meaningful statements that provide further clarification of the purpose of this legislation should be included in addition to the statements that have already been made. I would ask permission for all of the members of the subcommittee, Mr. Chairman, to submit to the staff communications they have received. I know that I have about the same number of communications as you have. Many of them are duplications of statements that have already been presented by the chairman. I do not want to have duplication in the record. I think



there are other members, who may have communications from other people and I would like for all of us to have permission to insert in the record the names of the people who have sent these communications to us.

Every communication I have received, Mr. Chairman, is in complete support of this legislation, and I might add that this is a good example for those interested in other farm legislation. Those of us who have served on this committee for a while are well aware of the fact that most of the legislation that comes before this committee is somewhat controversial. In this instance, we have an example where the people involved have gotten together before they brought legislation before the committee, have worked up the legislation, got the approval or the endorsement of it, so far as I know, of everyone involved in this instance, and I should hope that this might be a pattern for future farm legislation that is brought before this committee.

Mr. MATSUNAGA. A point of inquiry: All of these communications are for the bill?

Mr. POAGE. Every one I have received is for the bill. I think that we should, following Mr. Short's suggestion, say that anybody who has communications and wants them inserted may file them with the clerk within the next day or so.

Therefore, if we may follow this procedure, all of the letters and telegrams and communications and statements that have been presented will be listed in the record.

The communications will be filed with the clerk and will be available for examination. And where there are attached statements, they will be included in the record.

We will follow that procedure. Is there any objection to following that procedure?

Mr. HOEVEN. We will have the names listed?

Mr. POAGE. The names will be listed. Some of them have statements, and they asked that they be included in the record.

Mr. HEIMBURGER. A question: It is the idea that the staff will eliminate the duplications?

Mr. POAGE. That is right.

Mr. HEIMBURGER. And to see that every name is listed?

Mr. POAGE. That is correct. I think that will serve the purpose of everyone. There are a number here that I have not read as yet, but we will not proceed to go through them. We will put them all in in this way.

Is there anyone who has any communications or any requests in opposition to this legislation?

Mr. SHORT. Or any further questions about the legislation?

Mr. POAGE. If there is anyone who has any further questions of any of the witnesses, we will be glad to have them heard now.

Mr. Nance has suggested that we might like to have for the record the additional growers organizations or associations now represented on the National Live Stock and Meat Board Directorate. I think that is a list that the members would like to have, and without objection, it will be put into the record.

(The document entitled "Organizations Now Represented on the National Live Stock and Meat Board Directorate" follows:)

ORGANIZATIONS NOW REPRESENTED ON THE NATIONAL LIVE STOCK AND MEAT BOARD DIRECTORATE

American Farm Bureau Federation	National Livestock Feeders Association
American Meat Institute	National Live Stock Producers Association
American National Cattlemen's Association	National Milk Producers Federation
Iowa Livestock Council	National Restaurant Association
Kansas Livestock Association	National Society of Livestock Record Associations
Livestock Auction Markets Association	National Swine Growers Council
National Association of Food Chains	National Wool Growers Association
National Association of Retail Grocers	River Markets Group
National Farmers Union	Super Market Institute, Inc.
National Grange	Texas & Southwestern Cattle Raisers Association
National Independent Meat Packers Association	Western States Meat Packers Association
National Lamb Feeders Association	
National Livestock Exchange	

Mr. HOEVEN. I would like to direct this question to Mr. Nance. In view of the uncertain and fluctuating livestock market prices prevailing of late, I assume that the National Live Stock and Meat Board has stepped up its program of appealing to the consuming public to eat more meat. Would you tell us in brief what you are doing to step up the program at the present time?

Mr. NANCE. I should be glad to tell you. I guess probably that Mr. Neumann, who is general manager of the board, could give you more up-to-date information.

Mr. HOEVEN. Whoever it might be, give us a little breakdown on what you are doing. It is very important that we intensify the program urging the consuming public to eat more meat.

Mr. NANCE. We have stepped up our program in TV, radio, press releases with all organizations that might be able to help us, including the restaurant people, the supermarkets, the supermarket institutes, any outlets for meat which we might work closely with in a special promotion effort during this time when we have large numbers of both cattle and hogs. And I would say to you that we are very alert to this necessity. We are moving right into it and every day, with all of the facilities we have.

Mr. HOEVEN. I presume that you are receiving full cooperation at both the wholesale and retail levels?

Mr. NANCE. That is right; that is correct.

Mr. POAGE. If there are no further questions, we are very much obliged to all of our visitors who have participated in the hearing this morning.

(Following is a list of those who wrote to the members of the committee favoring the proposed legislation—there were no communications opposing:)

Lula Ackelbein, secretary, Chaffee County Cowbells, Salida, Colo.

W. P. Adams II, Odebolt, Iowa.

Clarence G. Adamy, executive vice president, National Association of Food Chains, 1725 I St. NW., Washington, D.C.

S. J. Agnew, president, Washington Cattlemen's Association, 507 Nanum, Ellensburg, Wash.

J. Roy Allgyer, Independent Livestock Marketing Association, 2025 Riverside Drive, Columbus, Ohio.

- Elmer H. Anderson, president, Midwest Beef Council, Larrabee, Iowa.
- John Armstrong, Selma, Ala.
- Allan C. Atlason, secretary, National Society of Live Stock Record Association, 3964 Grand Avenue, Gurnee, Ill.
- Jean K. Bader, secretary, Southwestern Colorado Livestock Association, Mancos, Colo.
- C. F. Baker, manager, Livestock Marketing Association, Dixon Branch Valley, Dixon, Calif.
- Stark Beard, secretary, Ohio Pork Growers Council, R.F.D. 1, Mount Gilead, Ohio.
- Charles F. Beermann, president, board of directors, Producers Commission Association, Sioux City Stockyards, Sioux City, Iowa.
- Elton L. Berck, State president, Farmers Union of Nebraska, Lincoln, Nebr.
- Russell Bergeson, Midwest Beef Council, Radcliffe, Iowa.
- Homer Bertsch, R.R. 2, Cambridge City, Ind.
- B. M. Bevis, president, the National Livestock Exchange, Box 10052, McKellar Station, Memphis, Tenn.
- Harold Boucher, secretary, Hampshire Swine Registry, 1111 Main Street, Peoria, Ill.
- J. H. Breckenridge, National Wool Growers, Twin Falls, Idaho.
- Oscar Bredthauer, Oscar Bredthauer Feed Yards, Route 3, Box 56, Grand Island, Nebr.
- Dolph Briscoe, Jr., Uvalde, Tex.
- Henry Brueck, Battle Creek, Iowa.
- Nelson R. Brusa, manager, Red Bluff Branch Valley, Livestock Marketing Association, Red Bluff, Calif.
- R. A. Bruton, IGA, Quinn Wholesale, Warsaw, N.C.
- Frank Caldwell, president, Modoc County Farm Bureau, Post Office Box 1692, Alturas, Calif.
- C. R. Carmichael, Rt. 1, Box 184, Los Molinas, Calif.
- N. K. Carnes, general manager, Central Livestock Association, Inc., South St. Paul, Minn.
- Ralph Cellon, president, Florida Cattleman's Association, Kissimmee, Fla.
- S. Kent Christensen, Washington, D.C.
- M. C. Claar, secretary, Idaho Wool Growers Association, 17 Broadbent Building, Boise, Idaho.
- C. F. Clafin, general manager, Equity Co-Operative Livestock Sales Association, Post Office Box 1996, Milwaukee, Wis.
- F. H. Cobb Co., IGA Supply Depot, Cortland, N.Y.
- Bernard Collins, president, Iowa Swine Producers Association, State House, Des Moines, Iowa.
- Vernon E. Cordell, director, Public Health, Food and Equipment Research Department, National Restaurant Association, 1530 North Lake Shore Drive, Chicago, Ill.
- Stanley Cot, Post Office Box 65, Westley, Calif.
- W.W. Cox and Sons, Post Office Box 155, Westley, Calif.
- R. E. Cunningham, executive secretary, Omaha Livestock Exchange, Omaha, Nebr.
- Homer R. Davison, president, American Meat Institute, 727 National Press Building, Washington, D.C.
- Scott Detrick, Louisville, Ky.
- Edward M. Dichler, Box 213, Port Washington, Ohio.
- R. R. Dougherty, Williamstown, Ky.
- George Doup, president, Indiana Farm Bureau, Inc., Indianapolis, Ind.
- Henry J. Eavey, director, Super Market Institute of America, Richmond, Ind.
- Richard Eggimann, Jackson, Minn.
- C. O. Emrich, National Auction Markets, Norfolk, Nebr.
- Elof M. Erickson, general manager, W. H. Campbell Commission Co., South St. Paul, Minn.
- H. W. Farr, Farr Farms Co., Post Office Box 878, Greeley, Colo.
- John J. Faust, secretary, St. Louis Local Meat Packers Association, 706 Chestnut Street, St. Louis, Mo.
- John D. Fehsenfeld, Livestock Producers Association, Troy, Mo.
- L. W. Feldmiller, general manager, Stockton Branch Valley, Livestock Marketing Association, Stockton, Calif.
- Frank G. Fitz-Roy, president, Baltimore Union Stock Yards, Inc., Brunswick Street, Baltimore, Md.



- Joe S. Fletcher, secretary-general manager, Texas and Southwestern Cattle Raisers Association, 410 East Weatherford Street, Fort Worth, Tex.
- Cal Foss, president, North Dakota Beef Council, Valley City, N. Dak.
- R. T. Foster, John Morrell & Co., 208 South La Salle Street, Chicago, Ill.
- Fred C. Francis, Joliet, Ill.
- Mrs. Robert M. French, secretary, Washington State Cowbelles, Okanogan, Wash.
- Fred Frick, president, Farm Bureau Marketing Association, Arvin, Calif.
- Kenneth R. Fulk, secretary, Iowa State Fair, Des Moines, Iowa.
- Harry Gamage, chairman, River Markets Group, 342 Livestock Exchange Building, Sioux City, Iowa.
- J. Marvin Garner, secretary, The Chester White Swine Record Association, Rochester, Ind.
- Lloyd H. Geil, general manager, Poultry and Egg National Board, 8 South Michigan Avenue, Chicago, Ill.
- Hon. LeRoy Getting, the Senate, State of Iowa, statehouse, Des Moines, Iowa.
- Emerson W. Graver, Pennsylvania Meat Packers Association, 1813 Ranstead Street, Philadelphia, Pa.
- Donald Greenaway, executive vice president, National Restaurant Association, 1530 North Lake Shore Drive, Chicago, Ill.
- Gene Gunter, director and treasurer, National Livestock and Meat Board, Livestock Exchange Building, Wichita, Kans.
- John H. Guthrie, president, California Cattle Feeders Association, 972 South Goodrich Boulevard, Los Angeles, Calif.
- Cedric Hall, Hall & Hall Farms, Hornick, Iowa.
- F. V. Heinkel, president, Missouri Farmers Association, Columbia, Mo.
- Vance C. Hendricks, Route No. 1, Orient, Ohio.
- E. Howard Hill, president, Iowa Farm Bureau Federation, 507 Tenth Street, Des Moines, Iowa.
- William J. Hoevischn, RFD No. 4, Sidney, Ohio.
- Joseph W. Houston, secretary, Tennessee Livestock Association, Inc., Post Office Box 1071, Knoxville, Tenn.
- H. C. Jackson, general manager, California Farm Bureau Marketing Association, Post Office Box 1348, Visalia, Calif.
- Joseph I. Jacobs, general manager, Producers Livestock Marketing Association, 200 Exchange Building, Union Stock Yards, North Salt Lake, Utah.
- Karnes Johnson, president, North Dakota Stockmen's Association, 107 South Fifth Street, Bismarck, N. Dak.
- Laverne A. Johnson, National Swine Growers, De Kalb, Ill.
- M. T. Johnson, Jr., president, Texas Beef Council, Amarillo, Tex.
- Kenneth W. Johnston, meat director, National Livestock Meat Board, Buffalo, N.Y.
- R. E. Judd, National Association of Swine Records, Peoria, Ill.
- Joe Judge, 311 Woodland Lane, Carmel, Ind.
- Miss Marie Keifer, National Association of Retail Grocers, of the United States, 360 North Michigan Avenue, Chicago, Ill.
- Vesper E. Kellogg, Post Office Box 353, Sutter, Calif.
- John A. Killick, executive secretary, the National Independent Meat Packers, 740 11th Street, NW., Washington, D.C.
- Clayton T. Kingston, 1159 North 26th Street, Fort Dodge, Iowa.
- Dorsey Kirk, Oblong, Ill.
- William J. Kuhfuss, president, Illinois Agricultural Association, 1701 Towanda Avenue, Bloomington, Ill.
- Glenn Lake, president, National Milk Producers Federation, Detroit, Mich.
- R. K. Leavitt, secretary-treasurer, Missouri Swine Producers Association, 125 Mumford Hall, Columbus, Mo.
- Gerald E. Leighton, president, the Chicago Live Stock Exchange, 726 Exchange Building, Chicago, Ill.
- Sam Lenke, Meat Department Roundup, Wholesale Grocery Co., Spokane, Wash.
- Glenn Lewis, Exeter, Nebr.
- Mrs. George Lockhart, president, Kannah Creek Cowbelles, Whitehaven, Colo.
- Robert L. Maderia, executive director, National Institute of Locker & Freezer Provisioners, 224 East High Street, Elizabethtown, Pa.
- Don F. Magdanz, executive secretary-treasurer, National Livestock Feeders Association, 309 Livestock Exchange Building, Omaha, Nebr.
- C. Malone, Zumbro Hotel, Rochester, Minn.



- Mrs. Margaret Manke, secretary, American Scotch Highland Breeders' Association, Edgemont, S. Dak.
- E. H. Maunschreck, president, Oklahoma Live Stock Marketing Association, Oklahoma City, Okla.
- Walter A. Maritz, Rural Route 6, Marion, Ohio.
- O. L. Marguesen, president, chamber of commerce, 1226 Dodge Circle, Fort Dodge, Iowa.
- Edwin E. Marsh, executive secretary, National Wool Growers Association, 414 Crandall Building, Salt Lake City, Utah.
- Gene Mason, secretary, American Berkshire Association, 601 West Monroe Street, Springfield, Ill.
- Roger Mason, 1038 North 24th Street, Fort Dodge, Iowa.
- Harvey A. McDougal, McDougal Livestock Co., Collinsville, Calif.
- Mrs. Natalie McElroy, State legislative chairman, North Dakota Cowbells, Jamestown, N. Dak.
- Mr. and Mrs. Tom McElroy, Route 2, Box 4, Vale, Oreg.
- Flint McRoberts, the McRoberts Farm, Monticello, Mo.
- Bernard E. Michael, Route 7, Frankfort, Ind.
- Dave Mitchell, manager, Producers Commission Association, Sioux City Stockyards, Sioux City, Iowa.
- C. W. Monier, president, National Lamb Feeders Association, Box 97, Montgomery, Ill.
- James P. Monier, Illinois Swine Improvement Association, Greenview, Ill.
- Kenneth W. Murray, manager, Lafayette Branch, Producers Marketing Association, Indianapolis Stockyards, Indianapolis, Ind.
- Carl J. Nadasdy, general manager, North Central Wool Marketing Corp., 101 27th Avenue SE., Minneapolis, Minn.
- Cornelius C. Noble, president, Noble's Independent Meat Co., Madera, Calif.
- Mrs. Betty Lou Nygren, Fallon, Nev.
- Arthur W. Oaklief, Newcomerstown, Ohio.
- Ed Oeschger, Bay Port, Mich.
- J. L. Olson, vice president, Geo. A. Hormel & Co., Austin, Minn.
- Robert L. O'Neal, Blackwater, Mo.
- F. A. Park, Route 3, Bellefontaine, Ohio.
- Wade A. Parker, vice president, Pacific Meat Co., North Columbia Boulevard and Burrage, Portland, Oreg.
- Mack S. Patton, president, North Carolina Cattlemen's Association, 201 New Bern Avenue, Raleigh, N.C.
- R. C. Peters, IGA meat director, Quincy, Fla.
- J. C. Petersen, Box 390, Spencer, Iowa.
- Elias O. Peterson, Truman, Minn.
- P. E. Petty, Swift & Co., 115 West Jackson Boulevard, Chicago, Ill.
- R. L. Pfeiffer and Leness Hall, Carnation Milk Farms, Carnation, Wash.
- A. G. Pickett, secretary, Kansas Livestock Association, State Office Building, Topeka, Kans.
- Wilbur L. Plager, secretary-treasurer, American Yorkshire Club, Inc., 1001 South Street, Lafayette, Ind.
- Mrs. C. S. Radebaugh, Jr., president, Florida Cowbells Association, Route 3, Box 725, Fort Pierce, Fla.
- Howard H. Rath, chairman of the board, the Rath Packing Co., Waterloo, Iowa.
- Elvert Redicker, Vallonia, Ind.
- Frank Richards, secretary, American Angus Association, 3201 Frederick Boulevard, St. Joseph, Mo.
- Thomas Ringkob, Jackson, Minn.
- Bruce Roadarmel, Route 4, Bowling Green, Ohio.
- Grady Romans, president, Malheur County Livestock Association, Ontario, Oreg.
- James E. Ross, secretary-treasurer, Missouri Livestock Association, 130 Mumford Hall, Columbia, Mo.
- Mylan E. Ross, secretary-manager, National Live Stock Producers Association, 155 North Wacker Drive, Chicago, Ill.
- Louis A. Rozzoni, president, California Farm Bureau Federation, 2855 Telegraph Avenue, Berkeley, Calif.
- C. T. "Tad" Sanders, executive counsel, Livestock Market Council, VFW Building, Broadway at 34th, Kansas City, Mo.
- Ferd Schmidt, president, Iowa Beef Producers Association, Maquoketa, Iowa.
- Don Schroeder, meat director, J. M. Jones Co., Champaign, Ill.

Clyde H. Seever, Rural Route 2, Oaktown, Ind.  
 Charles Shuman, Post Office Box 1692, Alturas, Calif.  
 Charles B. Shuman, president, American Farm Bureau Federation, Merchandise Mart Plaza, Chicago, Ill.  
 Howard Silveus, Lake-Lan Farms, Silver Lake, Ind.  
 W. E. Smith, executive secretary, National Swine Growers Council, Box 98, Nelson, Mo.  
 John J. Snyder, Valley Springs Hereford Ranch, Post Office Box 536, Valley Springs, Calif.  
 Harold G. Spies, secretary, Kansas Swine Improvement Association, Animal Industries Building, Kansas State University, Manhattan, Kans.  
 John R. Story, assistant director of perishables and meat director, Independent Grocers' Alliance Distributing Co., 131 South Wabash Avenue, Chicago, Ill.  
 John Stover, Route 1, Cedarville, Ohio.  
 Lester Stratton, Wentworth, S. Dak.  
 Norm Svinth, director, IGA Table Rite Meat Department, Post Office Box 189, Salem, Oreg.  
 A. L. Swanson, president, Swanson Super Stores, Cherokee, Iowa.  
 Mrs. Marie Tyler, president, American National Cowbells, Jamestown, N. Dak.  
 Percy H. Upton, secretary, Nebraska Angus Association, Inc., Madison, Nebr.  
 Luther W. Wade, president, Mississippi Cattlemen's Association, Inc., Post Office Box 325, State College, Miss.  
 Hon. John A. Walker, chairman, Agricultural Committee, Iowa State Senate, Des Moines, Iowa.  
 Tom Wallace, Texas Sheep & Goat Raisers Association, San Angelo, Tex.  
 R. H. Walton, general manager, Michigan Livestock Exchange, 6750 Dix Avenue, Detroit, Mich.  
 Richard Westerberg, chairman, Oregon Beef Council, Portland, Oreg.  
 Wallace W. Wolf, president, Kansas Swine Improvement Association, South Haven, Kans.  
 H. C. Wollam, president, the People's State Bank, Cleveland, Minn.  
 S. Ward Woody, Post Office Box 22, Woody, Calif.  
 Clyde M. York, president, Tennessee Farm Bureau Federation, Columbia, Tenn.

(The following statements were also submitted to the subcommittee:)

#### RESOLUTION

*Be it resolved by the senate agriculture committee of the 60th general assembly, That the Agriculture Committee of the Senate of the State of Iowa strongly supports the bills introduced in the Congress, to wit: H.R. 5860 and H.R. 5861, by Congressman William R. Poage of Texas and Congressman Don L. Short of North Dakota as the most practical solution to the problem presented by the regulations of the Department of Agriculture relating to the Packers and Stockyards Act of 1921, as amended, regarding deductions from sales proceeds for promotion and research; be it further*

*Resolved, That copies of this resolution be forwarded to the Secretary of Agriculture of the United States, to Congressmen Poage and Short, to the Iowa delegation in the Congress of the United States, to the National Live Stock and Meat Board and to the American Farm Bureau.*

SENATE AGRICULTURE COMMITTEE,  
 JOHN A. WALKER, *Chairman.*

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#### STATEMENT OF THE NATIONAL LIVESTOCK FEEDERS ASSOCIATION BY DON F. MAGDANZ, EXECUTIVE SECRETARY-TREASURER, AND B. H. JONES, ASSOCIATE SECRETARY-TREASURER

(The National Livestock Feeders Association is a voluntary, nonprofit, non-political organization of persons engaged in the business of feeding and finishing livestock—cattle, hogs, and lambs—for the slaughter market. It is incorporated under the laws of the State of Nebraska.)

The National Livestock Feeders Association firmly supports the passage of H.R. 5860 and H.R. 5861. This legislation would amend the Packers and Stockyards Act to withdraw the authority of the Secretary of Agriculture over de-

ductions made from sales proceeds for the purpose of financing promotion and research activities relating to livestock and meat products.

The proposed legislation would make it possible for the deduction procedure as followed by the National Live Stock and Meat Board to be continued.

For years livestock feeders have contributed a major share of the financial support for the National Live Stock and Meat Board. The producer segment of the livestock and meat industry voluntarily furnishes approximately 65 percent of the meat board's revenue, which, in itself, emphatically demonstrates widespread approval of the meat board's programs and deduction procedures.

The National Live Stock and Meat Board is recognized as the authority in the fields of meat nutrition and meat preparation. It is highly important that this position not be jeopardized and that the services in this connection to the consuming public be continued and expanded.

This association views the deduction for meat research, education and promotion as constituting a special case apart from those functions which are defined as stockyards services, for which supervision is provided under the Packers and Stockyards Act.

Therefore, we recommend favorable action on H.R. 5860 and H.R. 5861 by the Subcommittee on Livestock and Feed Grains and by the House Committee on Agriculture.

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STATEMENT OF C. T. "TAD" SANDERS, EXECUTIVE COUNSEL, LIVESTOCK MARKET COUNCIL OF CERTIFIED LIVESTOCK MARKETS

The Livestock Auction Markets Association is the industry trade association of livestock auction markets posted under the Packers and Stockyards Act as "stockyards" and registered under the same act as market agencies selling on commission.

Livestock auction markets actively participating in the association are identified by name and trademark as "certified livestock markets."

It has been the consistent policy of the association to encourage the voluntary support and action of its "certified livestock markets" in livestock and meat industry undertakings to advance meat research, education, and promotion by assisting in the financing, through processing a uniform per head amount of livestock sold from the proceeds of sale, to a designated industry agency for such purposes. A substantial number of such markets have traditionally processed such funds under the agency relationships that exist between them and livestock owner-customers consigning livestock for sale. This action is deemed by such markets as a part of their services as such markets.

Certain questions have been raised in recent years as to the legality of such action and services by all market agencies under the Packers and Stockyards Act.

This association therefore fully supports H.R. 5860 and H.R. 5861 and urges favorable action by the subcommittee, the Committee on Agriculture, and the Congress to enact such legislation into law.

Because of a pending regulation under the Packers and Stockyards Act to become effective July 1, 1963, affecting the established and recognized industry procedure of processing livestock-owner proceeds of sale amounts per head for meat research, education, and promotion, it is urged that Congress enact H.R. 5860 and H.R. 5861 without delay. Such action, in our opinion, will serve to more firmly establish the basis and value of such endeavors by the livestock and meat industry which have proven their worth to all elements of the industry and the consuming public over many years.

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STATEMENT OF JOHN A. KILLICK, EXECUTIVE SECRETARY, NATIONAL INDEPENDENT MEAT PACKERS ASSOCIATION

Mr. Chairman and gentlemen of the committee, my name is John A. Killick. I am executive secretary of the National Independent Meat Packers Association, the headquarters of which is located at 740 11th Street NW., Washington, D.C. Our association is comprised of approximately 400 independent meat-packing firms located in all parts of the United States, plus about 200 additional firms which are involved in the meat-packing industry as suppliers to meat packers.



In order to clarify the meaning of the word "independent" in the title of our association, I would like to explain that this means in general (though there are certain exceptions) that our members are essentially one-plant operations serving a community or a region, in contrast to meat-packing firms with national or near national distribution of their products. Quite obviously, the economic welfare of our members is greatly dependent upon the continued acceptance and increased consumption on the part of the consuming public of meat and meat food products.

For some 40 years, the National Live Stock and Meat Board has contributed greatly toward the achievement of this goal, by its prolonged and expert campaign of meat promotion, education, and research. When the very existence of the National Live Stock and Meat Board seemed to be threatened by a proposed amendment to regulations which were published last year by the Packers and Stockyards Division of the U.S. Department of Agriculture, we notified Secretary of Agriculture Orville Freeman and the then Director of the Packers and Stockyards Division, Mr. Clarence Girard, of our apprehension over the proposed amendment to packers and stockyards regulations, as published in the Federal Register, which, in our opinion, would have made it impossible for the National Live Stock and Meat Board to continue to function. We asked that public hearings be held regionally so that every livestock producer in the Nation could be given an opportunity to express his views in person about the potentially devastating impact on the livestock and meat industry of these proposed amendments, but such hearings were never scheduled by the U.S. Department of Agriculture.

It was with some dismay, therefore, that we witnessed in the Federal Register of February 27, 1963, the publication of an amendment to become effective July 1, 1963, because we remain convinced that no benefit whatever could possibly accrue from this amendment, and that if this amendment is allowed to become effective it could only open the door to chaos and confusion in the production, processing, distributive and promotional aspects of the livestock and meat industry. Moreover, we felt that this amendment would impose an unnecessary, expensive and unbelievably complicated clerical and financial burden on the meat-packing industry.

In view of the known position of our association on this matter, we were naturally gratified to learn of the introduction, on April 25, of H.R. 5860 by Representative W. R. Poage and an identical bill, H.R. 5861, introduced by Representative Don L. Short. These bills would have the effect of permitting market agencies and meat packers to process producer contributions from the sales of livestock in the manner presently in use, and it is our understanding that these measures have the support of the directors of the National Live Stock and Meat Board.

Our association is represented on the National Live Stock and Meat Board by Mr. John G. Stephen, president of Arbogast & Bastian, Inc., Allentown, Pa., and he has informed me that as NIMPA's representative on the Board he had voted in favor of the proposed legislation. Moreover, the Executive Committee of NIMPA, meeting in Dallas, Tex., on March 7, 1963, also voted unanimously to direct me to indicate the support of our association to any solution of this problem which would enable the National Live Stock and Meat Board to continue its program of meat promotion, education, and research in the manner in which it is presently being conducted.

Therefore, we are asking to have this statement entered in the record as tangible evidence of the desire of the National Independent Meat Packers Association for the Subcommittee on Feed Grains of the House Committee on Agriculture to report favorably on H.R. 5860 and H.R. 5861 and we humbly beseech you to urge the passage of these measures, so that one of the strong foundations of the economic welfare of the livestock and meat industry will not be jeopardized.

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#### STATEMENT OF RIVER MARKETS GROUP

This statement is submitted in support of H.R. 5860 and H.R. 5861 by the River Markets Group. These bills, if adopted, would amend section 407 of the Packers and Stock Yards Act of 1921. The River Markets Group is a voluntary trade organization composed of the Live Stock Exchanges at Sioux Falls, Sioux City, Omaha, St. Joseph, Kansas City, and St. Louis.

These bills, which were introduced on April 25, 1963 by Representative W. R. Poage and Representative Don L. Short, would in effect permit marketing agencies and meatpackers to process producer's contributions from the sales of livestock in the manner presently in use. The passage of these bills would guarantee the continuance of the National Live Stock and Meat Board. The board conducts a nationwide program of meat research, education, information and promotion. It is the country's only nationwide meat promotional organization. It is a nonprofit service organization. Through a wide variety of services and facilities, it disseminates correct information on meat cookery, care, storage, selection, nutrition, and other factors related to the subject of meat. Established by the several branches of the livestock and meat industry 40 years ago, the board is now recognized as the major source of meat information and nutritional facts for use both by professional workers and consumers.

It is regarded as a pioneer and leader in the development of the type of self-help industrywide promotion program which is carried out without Government funds and for the benefit of the general public as well as the sponsoring industry. Many valuable findings in regard to human nutrition have come out of research made possible by some 250 grants-in-aid provided by the board to medical schools, hospitals, and foundations during the past 40 years. The members of our organization have been deducting and remitting shipper's funds to the National Live Stock and Meat Board for well over 30 years. Last year approximately \$330,000 was collected and remitted by the six member markets.

The two bills, as introduced by Representative Poage and Representative Short would serve to legalize the deduction procedure now in use. At the present time our country is faced with depressed livestock prices. It is a crucial period for the livestock producer. Established programs of meat education, promotions, and research must be kept at a high level. Any lessening of red meat promotions at this time could have drastic consequences in all branches of the livestock and meat industry and hence have a drastic consequence on the national economy as a whole.

The National Live Stock and Meat Board, since its original inception has been financed in part through voluntary contributions of livestock growers and feeders in cooperation with livestock marketing firms, who assemble the funds on a per head basis at the time the livestock is marketed. Contributions to the program are made on some 42 percent of all livestock marketed and slaughtered in the United States, generally at the rate of 2 cents per head on cattle; two-thirds cent per head on hogs and calves and two-fifths cent per head on sheep and lambs. The total contributions provide the board with a budget of slightly over \$1 million a year.

The River Markets Group and its member marketing agencies and dealers unanimously endorse the above bills and urge their adoption.

(The following communications were also submitted to the subcommittee:)

AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION,  
*Denver, Colo., April 26, 1963.*

Re H.R. 5860 and H.R. 5861.

HON. W. R. POAGE,

*Chairman, Livestock and Feed Grains Subcommittee, House Committee on Agriculture, House Office Building, Washington, D.C.*

DEAR MR. POAGE: The American National Cattlemen's Association, headquartered in Denver, Colo., for 65 years, is an affiliation of thousands of individual members, 37 State cattle producer and feeder associations and more than 100 local, regional, and breed associations.

Through more than 40 of its 65-year life, the organization has firmly and positively supported the principles and activities of the National Live Stock and Meat Board.

Not only has the official policy of the American National Cattlemen's Association so expressed such support in repetitive resolutions, but the bulk of our affiliated organizations over the years have established similar policies.

We have, collectively, supported the National Live Stock and Meat Board because:

1. Research into and promotion of use of meat and meat products is vital to the maintenance of a healthy and prosperous livestock industry through the various "fads" and ups-and-downs of consumer preference for red meat.



2. We recognize that as diverse an industry as that of livestock production, breeding, feeding, and marketing must have coordination in such interrelated activities as meat research, education, and promotion.

3. The board, made up as it is of proportionate representation from all phases of livestock and meat interests, has proven over the years that it can reflect the wishes of producers, handlers, processors, and sellers of animals and product in an effective, balanced fashion. With recent changes in board concept and activities, i.e., the creation of specie promotion committees, even more effectiveness is promised.

4. Through their constant support of board policies and activities, as evidenced by widespread willingness to contribute funds, individual stockmen, as well as marketing and packing interests, have indicated that the board's method of financing is appropriate and acceptable.

For these reasons, the American National Cattlemen's Association wishes to join with other organizations and individuals of the livestock and meat industry in heartily endorsing H.R. 5860 and H.R. 5861. Further, we wish to emphasize that prompt consideration by Congress is necessary if the work of the board is not to be disrupted by even temporary invocation of the Secretary of Agriculture's regulation relative to fund collections under the Packers and Stockyards Act. With the beef cattle industry in its current precarious situation, all avenues of marketing, promotion and consumption must be kept open and vigorous. To this end, the National Live Stock and Meat Board must provide uninterrupted services.

We respectfully request that this letter be made a part of the hearing record on H.R. 5860 and H.R. 5861.

Cordially,

C. W. McMILLAN.

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WYOMING WOOL GROWERS ASSOCIATION,  
Casper, Wyo., May 2, 1963.

HON. W. R. POAGE,  
House Office Building,  
Washington, D.C.

DEAR CONGRESSMAN POAGE: The support of H.R. 5860, by the Wyoming Wool Growers Association, is hereby voiced in this letter and your including it in the hearing record of the above mentioned bill will be appreciated.

Because meat production has reached record highs, it is especially necessary at this time for the National Live Stock and Meat Board to be allowed to continue their excellent program in promoting the products of the livestock and meat industry.

The amendment of February 26 to the regulations of the Packers and Stockyards Act, would greatly jeopardize the excellent all-industry, self-help program of meat research, education, information, and promotion which has been conducted for the past 40 years through the services and facilities of the National Live Stock and Meat Board.

Therefore the Wyoming Wool Growers Association, which represents the interests of the Nation's second largest sheep producing State strongly supports H.R. 5860 and urges its prompt enactment.

Very truly yours,

ROBERT P. BLEDSOE,  
Secretary, Wyoming Wool Growers Association.

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GREAT FALLS, MONT., April 29, 1963.

HON. W. R. POAGE,  
Livestock and Feed Grains Subcommittee,  
House Office Building,  
Washington, D.C.

DEAR SIR: The Montana CowBelles, Inc., is a 1,600 member organization of ranchwomen with 40 affiliated local groups. We are an auxiliary to the Montana Stockgrowers Association, and our purpose is to promote public acceptance and use of cattle industry products and to promote better public relations be-



tween the cattle industry and the general public. Without the assistance of the National Live Stock and Meat Board, we would be unable to carry out the purpose of our organization.

We support the National Live Stock and Meat Board because:

1. Research into and promotion of use of meat and meat products is vital to the maintenance of a healthy and prosperous livestock industry through the various fads and ups-and-downs of consumer preference for red meat.

2. We recognize that as diverse an industry as that of livestock production, breeding, feeding, and marketing must have coordination in such interrelated activities as meat research, education, and promotion.

3. The board, made up as it is of proportionate representation from all phases of livestock and meat interests, has proven over the years that it can reflect the wishes of producers, handlers, processors and sellers of animals and products in an effective, balanced fashion. With recent changes in board concept and activities, i.e., the creation of species promotion committees, even more effectiveness is promised.

4. Through their constant support of board policies and activities, as evidenced by widespread willingness to contribute funds, individual stockmen, as well as marketing and packing interests, have indicated that the board's method of financing is appropriate and acceptable.

For these reasons, the Montana CowBelles, Inc., wishes to join with other organizations and individuals of the livestock and meat industry in heartily endorsing H.R. 5860 and H.R. 5861. Further, we wish to emphasize that prompt consideration by Congress is necessary if the work of the board is not to be disrupted by even temporary invocation of the Secretary of Agriculture's regulations relative to fund collections under the Packers and Stockyards Act. With the beef cattle industry in its current precarious situation, all avenues of marketing, promotion, and consumption must be kept open and vigorous. To this end the National Live Stock and Meat Board must provide uninterrupted services.

We respectfully request that this letter be made a part of the hearing on H.R. 5860 and H.R. 5861.

Very truly yours,

BETTY MAURER

Mrs. Joseph Maurer,

*President, Montana Cowbelles, Inc.*

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MICHIGAN LIVESTOCK IMPROVEMENT ASSOCIATION,  
*East Lansing, Mich., May 3, 1963.*

Congressman W. R. POAGE,  
*Livestock and Feed Grains Subcommittee,*  
*House Office Building, Washington, D.C.*

DEAR CONGRESSMAN POAGE: I am writing on behalf of the officers and directors of the Michigan Livestock Improvement Association in support of your H.R. 5860 and Representative Short's H.R. 5861, "Fund collection system for the National Live Stock and Meat Board."

We feel that the work of the meat board should go on uninterrupted and strongly recommend that the appropriate legislation be passed to attain this goal.

The work that the National Live Stock and Meat Board has done in the past 40 years has been of invaluable help to the livestock and meat industry. It is of paramount importance at this time that their good services not be interrupted because of the surplus situation of livestock and meat. The only way that this surplus can be relieved is through an active promotional program backed by research and education such as the National Live Stock and Meat Board carries on.

We respectfully request that this letter be made a part of the hearing record on H.R. 5860 and H.R. 5861.

Sincerely yours,

PATRICK H. BROWN,  
*Secretary-Manager*  
(For Blaque Knirk, president).

(The following communications were received and submitted by Representatives W. R. Poage and Don L. Short:)

POMONA, KANS., May 2, 1963.

DEAR SIR: The Kansas Livestock Association, with a membership of 6,500, has represented the livestock industry in our State for over 50 years. It is with pride that we recall that our organization originated the idea of having the National Live Stock and Meat Board to carry out a self-help program of meat research, education, information, and promotion which it has conducted the past 40 years. The livestock industry would suffer greatly if the activities of this organization were curtailed in any way.

Our association has firmly supported the National Live Stock and Meat Board through resolutions and active participation by our members in the many activities of the board. We believe its services are vital and necessary because:

1. Research into and promotion of use of meat and meat products is vital to the maintenance of a healthy and prosperous livestock industry through the various fads and ups and downs of consumer preference for red meat.

2. We recognize that as diverse an industry as that of livestock production, breeding, feeding, and marketing must have coordination in such interrelated activities as meat research, education, and promotion.

3. The board, made up as it is of proportionate representation from all phases of livestock and meat interests, has proven over the years that it can reflect the wishes of producers, handlers, processors, and sellers of animals and animal products in an effective, balanced fashion.

4. Through their constant support of board policies and activities, as evidenced by widespread willingness to contribute funds, individual stockmen, as well as marketing and packing interests, have indicated that the board's method of financing is appropriate and acceptable.

As chairman of the Kansas Livestock Association legislative committee, I wish to assure you that we join with other organizations and individuals of the livestock and meat industry in heartily endorsing H.R. 5860 and H.R. 5861. Further, we wish to emphasize that prompt consideration by Congress is necessary if the work of the board is not to be disrupted by even temporary invocation of the Secretary of Agriculture's regulation relative to fund collections under the Packers and Stockyards Act. With the beef cattle industry in its current precarious situation, all avenues of marketing promotion and consumption must be kept open and vigorous. To this end the National Live Stock and Meat Board must provide uninterrupted services.

I respectfully request that this letter be made a part of the hearing record on H.R. 5860 and H.R. 5861.

Very truly yours,

NICHOLAS V. HUDELSON,  
*Chairman Legislative Committee,*  
*Kansas Livestock Association.*

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ARIZONA CATTLE FEEDERS' ASSOCIATION,  
*Phoenix, Ariz., April 29, 1963.*

DEAR SIR: We have just learned that Congressman W. R. Poage and Congressman Don Short have introduced identical bills (H.R. 5860 and H.R. 5861), which would amend the Packers and Stockyards Act of 1921, by removing the authority of the Secretary of Agriculture from jurisdiction over market deductions for meat promotion purposes.

In our opinion, such legislation will be extremely beneficial to all segments of the livestock industry over the United States. It will keep alive the National Live Stock and Meat Board, which for the past 40 years has done a tremendous job in meat research, education, and promotion. Voluntary fund contributions by farmers, feeders, marketing and packing interests to the National Live Stock and Meat Board for many, many years have been an industry-accepted practice and continuance of this successful, accepted practice is necessary in order that the meat board may do more and more in the research, educational, and promotional fields.

We strongly endorse H.R. 5860 and H.R. 5861. We urge the Congress to take prompt and favorable action on this legislation.

We respectfully request that this letter be introduced and made a part of the record of hearing on H.R. 5860 and H.R. 5861.

Very truly yours,

AUBREY GROUSKAY,  
*Chairman, Board of Directors.*

(The following communication was received and submitted by Representatives W. R. Poage, Spark M. Matsunaga, Don L. Short, and Albert H. Quie:)

AMERICAN HEREFORD ASSOCIATION,  
*Kansas City, Mo., April 30, 1963.*

DEAR SIR: The American Hereford Association represents over 50,000 breeders of registered Hereford cattle, with headquarters in Kansas City, Mo. Membership in the association comes from all States and the District of Columbia. The association has been in existence since 1881.

The association has and does now support the principles and activities of the National Live Stock and Meat Board. This support we feel is justified because of the meat board's activities in:

1. Research and promotion of the use of meat and meat products in the maintenance of human health and the prosperity of the livestock industry.

2. The meat board's activity in research and promotion of all segments of the livestock industry.

3. Its support by producers, handlers, processors, and retailers of meat and meat products, and

4. The willingness of the industry to support its program in all of its phases.

We, therefore, join with other organizations and individuals of the livestock and meat industry in endorsing H.R. 5860 and H.R. 5861. Prompt action by the Congress is imperative if the work of the board is to be continued.

We respectfully request that our opinions be made a part of the hearing record on H.R. 5860 and H.R. 5861.

Sincerely,

PAUL SWAFFAR, *Secretary.*

Mr. POAGE. The committee will now go into executive session to consider this legislation.

Thank you very much.

(Whereupon, at 11:05 a.m., the subcommittee proceeded into executive session.)

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LEGISLATIVE HISTORY

Public Law 88-61  
H. R. 5860

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## INDEX AND SUMMARY OF H. R. 5860

- Apr. 25, 1963 Rep. Poage introduced H. R. 5860 which was referred to House Agriculture Committee. Print of bill as introduced.
- Rep. Short introduced H. R. 5861 which was referred to House Agriculture Committee. Print of bill as introduced.
- May 2, 1963 House subcommittee voted to report H. R. 5860.
- May 6, 1963 House committee voted to report H. R. 5860.
- May 8, 1963 Sen. McGee introduced S. 1482 which was referred to Senate Agriculture and Forestry Committee. Print of bill as introduced.
- Sen. Ellender introduced S. 1490 which was referred to Senate Agriculture and Forestry Committee. Print of bill as introduced.
- May 9, 1963 House Agriculture Committee reported without amendment H. R. 5860. H. Rept. 284. Print of bill and report.
- May 20, 1963 House passed H. R. 5860 without amendment.
- May 21, 1963 H. R. 5860 was referred to Senate Agriculture and Forestry Committee. Print of bill as referred.
- June 19, 1963 Senate committee reported H. R. 5860 without amendment. S. Rept. 280. Print of bill and report.
- June 24, 1963 Senate passed H. R. 5860 without amendment.
- July 8, 1963 Approved: Public Law 88-61.



# H. R. 5860

IN THE HOUSE OF REPRESENTATIVES

January 1901.

Mr. [Name] introduced the following bill, which was read twice and referred to the Committee on Agriculture.

## A BILL

To amend the Act of the 23d March, 1897, entitled "An Act to provide for the establishment of a National Bureau of Plant Industry," and for other purposes.

1. That the Secretary of Agriculture be and he is authorized to employ such persons as may be necessary for the proper conduct of the Bureau of Plant Industry, and to fix their compensation.
2. That the Secretary of Agriculture be and he is authorized to acquire by purchase or otherwise such land as may be necessary for the establishment of a National Bureau of Plant Industry, and to fix the compensation of the persons employed thereon.
3. That the Secretary of Agriculture be and he is authorized to acquire by purchase or otherwise such land as may be necessary for the establishment of a National Bureau of Plant Industry, and to fix the compensation of the persons employed thereon.
4. That the Secretary of Agriculture be and he is authorized to acquire by purchase or otherwise such land as may be necessary for the establishment of a National Bureau of Plant Industry, and to fix the compensation of the persons employed thereon.
5. That the Secretary of Agriculture be and he is authorized to acquire by purchase or otherwise such land as may be necessary for the establishment of a National Bureau of Plant Industry, and to fix the compensation of the persons employed thereon.
6. That the Secretary of Agriculture be and he is authorized to acquire by purchase or otherwise such land as may be necessary for the establishment of a National Bureau of Plant Industry, and to fix the compensation of the persons employed thereon.
7. That the Secretary of Agriculture be and he is authorized to acquire by purchase or otherwise such land as may be necessary for the establishment of a National Bureau of Plant Industry, and to fix the compensation of the persons employed thereon.
8. That the Secretary of Agriculture be and he is authorized to acquire by purchase or otherwise such land as may be necessary for the establishment of a National Bureau of Plant Industry, and to fix the compensation of the persons employed thereon.
9. That the Secretary of Agriculture be and he is authorized to acquire by purchase or otherwise such land as may be necessary for the establishment of a National Bureau of Plant Industry, and to fix the compensation of the persons employed thereon.
10. That the Secretary of Agriculture be and he is authorized to acquire by purchase or otherwise such land as may be necessary for the establishment of a National Bureau of Plant Industry, and to fix the compensation of the persons employed thereon.





# H. R. 5860

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 1963

Mr. POAGE introduced the following bill; which was referred to the Committee on Agriculture

---

## A BILL

To amend section 407 of the Packers and Stockyards Act of 1921,  
as amended.

1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*  
3     That the Packers and Stockyards Act of 1921, as amended,  
4     is amended by adding the following new subsection (c) to  
5     section 407:

6     “(c) Notwithstanding any other provision of law, the  
7     authority of the Secretary under this Act shall not apply to  
8     deductions made from sales proceeds for the purpose of  
9     financing promotion and research activities, including edu-  
10    cational activities relating to livestock, meat, and other  
11    products covered by the Act.”

88TH CONGRESS  
1ST SESSION

**H. R. 5860**

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**A BILL**

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To amend section 407 of the Packers and Stock-  
yards Act of 1921, as amended.

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By Mr. POAGE

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APRIL 25, 1963

Referred to the Committee on Agriculture



## IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 1963

Mr. SHORT introduced the following bill; which was referred to the Committee on Agriculture

---

## A BILL

To amend section 407 of the Packers and Stockyards Act of 1921, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
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10      cational activities relating to livestock, meat, and other  
11      products covered by the Act.”

88<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

H. R. 5861

## A BILL

To amend section 407 of the Packers and Stock-  
yards Act of 1921, as amended.

By Mr. SHORT

APRIL 25, 1963

Referred to the Committee on Agriculture







# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued May 3, 1963  
For actions of May 2, 1963  
88th-1st; No. 65

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**HIGHLIGHTS:** House committee reported bills for additional research facilities for experiment stations, authorize transfer of rice allotments, and continue exemption of green peanuts from allotments and quotas. Senate passed bill to increase durum wheat allotments in Tularelake, Calif. Sen. Humphrey criticized Federal Power Commission efforts to regulate REA coops. Sen. Tower contended Russia profiting in buying and selling Cuban sugar. House subcommittee voted to report bill to provide that Secretary's authority under Packers and Stockyards Act shall not apply to deductions for promotion and research activities. House committee voted to report bill to increase public debt ceiling. Sen. Carlson introduced and discussed bill to regulate agricultural and forestry imports.

### SENATE

- 1. WHEAT.** Passed as reported S. 762, to provide for permanent increases in durum wheat allotments in the Tularelake area of Modoc and Siskiyou Counties, Calif. pp. 7214-5
- 2. ELECTRIFICATION.** Sen. Humphrey stated that he "was astounded to learn that the Federal Power Commission recently has moved in the direction of exercising jurisdiction over the rural electric cooperatives," and contended that Congress never intended the Commission to exercise such jurisdiction. pp. 7226-9  
Sen. Douglas commended "the continuing contribution of rural electric cooperatives to our society," and inserted an editorial, "Private Utilities Open War on Rural Electric Co-ops." pp. 7213-4
- 3. SUGAR.** Sen. Tower stated that Russia was making a profit in Cuban sugar by buying sugar at below the world market price and selling it at the world market price, and inserted tables showing the extent of Cuban-Russian trade in

sugar and an article, "Soviet Union Purchases of Cuban Sugar." pp. 7185-7

4. WOOL IMPORTS. Sen. McIntyre criticized increased imports of woolen goods and urged that strong representations be made concerning these imports at coming trade negotiations with European Common Market countries. p. 7222
5. RECREATION. Sen. Hart commended the increasing establishment of recreation facilities in rural areas, stated that "these beautiful rural areas of ours might as readily revitalize their economies by taking advantage of the natural attractions around them as by hustling for industry," and inserted several articles on the subject. pp. 7207-8
6. LANDS. Sen. Bartlett criticized the surveying techniques being used by Interior in surveying public lands in Alaska from which the State will select certain lands resulting from Statehood, urged that the surveys be accelerated and inserted several items on the situation regarding these surveys. pp. 7198-7202
7. BUDGETING. Continued consideration of S. 537, to provide for the establishment of a Joint Committee on the Budget composed of members of the Senate and House Appropriations Committees. p. 7210
8. NATIONAL SERVICE CORPS. Sen. Bartlett commended the proposed establishment of a National Service Corps and described how such a Corps could be used for work in Alaska. pp. 7202-4
9. ACCOUNTING. Sen. Douglas commended the work of the General Accounting Office, stating that it has "saved millions for the taxpayers." pp. 7197-8
10. WATER CONSERVATION. Sen. Sparkman inserted two items discussing the work of TVA in the conservation of water resources. pp. 7190-1
11. FARM LABOR. Sen. Williams (N. J.) submitted for printing a report of the Labor and Public Welfare Committee, "The Migratory Farm Labor Problem in the United States" (S. Rept. 167). p. 7177
12. DATA PROCESSING. Received from GAO a report "on the review of the excessive cost of leasing compared with buying certain electronic data processing equipment by the Department of the Air Force." p. 7176
13. ADJOURNED until Mon., May 6. p. 7245

#### HOUSE

14. RESEARCH. The Agriculture Committee reported without amendment H. R. 40, to assist the States to provide additional facilities for research at the State agricultural experiment stations (H. Rept. 271). p. 7286
15. RICE; PEANUTS. The Agriculture Committee reported without amendment H. R. 3742, relating to the transfer of producer rice acreage allotments (H. Rept. 273) and H. R. 101, to extend for two years the exemption of green peanuts from allotments and quotas (H. Rept. 272). p. 7288
16. LIVESTOCK AND MEATS. The Livestock and Feed Grains Subcommittee of the Agriculture Committee voted to report to the full committee H. R. 5860, to amend the Packers and Stockyards Act to provide that the authority of the Secretary shall not apply to deductions from the sales proceeds for the purpose of financing promotion or research activities relating to livestock, meats, and other products covered by the Act. p. D285







May 6, 1963

14. PACKERS AND STOCKYARDS. The Agriculture Committee voted to report (but did not actually report) H. R. 5860, to amend the Packers and Stockyards Act so as to provide that the authority of the Secretary shall not apply to deductions from the sales proceeds for the purpose of financing promotion or research activities relating to livestock, meats, and other products covered by the Act. p. D292
15. WATERSHEDS. The "Daily Digest" states that the Agriculture Committee "approved four watershed projects." p. D292
16. EDUCATION. The "Daily Digest" states that the Special Subcommittee on Education of the Education and Labor Committee met in executive session regarding higher education and "Ordered a clean bill (H. R. 4797) introduced in the House." p. D292
17. PEANUTS. Debated under a motion to suspend the rules and pass H. R. 101, to extend for two additional years (through 1965) the exemption of green peanuts used for boiling from acreage allotments and quotas. After objections were raised, unanimous consent was granted, at the request of Rep. Albert, that the motion to suspend the rules and pass the bill be withdrawn. pp. 7368-9
18. FEED GRAINS. Rep. Findlay charged that Secretary Freeman "has used unrelated and inaccurate statistics" in support of feed-grain legislation, and urged the Senate Agriculture and Forestry Committee "to get the facts straight before giving the feed grains program a new 2-year lease on life." p. 7358
19. SUGAR. Rep. Vanik criticized the increase in the price of sugar and suggested that the Government "take prompt action to stifle profiteering by suspending the U. S. duty on sugar." p. 7358
20. FORESTRY. Passed with amendment S. 138, to redesignate and revise the boundaries of the Big Hole Battlefield National Monument, Mont., including the transfer of 160 acres of land from the Beaverhead National Forest to the Monument, after substituting the language of a similar bill, H. R. 3200, which was passed earlier in the day. H. R. 3200 was tabled. pp. 7364-5
21. PUBLIC DEBT. The "Daily Digest" states that the Ways and Means Committee reported H. R. 6009, to provide for temporary increases in the public debt limit (H. Rept. 277). p. D291
22. PERSONNEL. Rep. Olsen (Mont.) inserted the proceedings of the founding conference of the Federal Professional Association which organizes and aids professional employees in appearing before the Congress and the administrative departments of the Government concerning Federal career-service matters. pp. 7374-7
23. FOREIGN AGRICULTURE. Rep. Fuqua criticized the U. N. Special Funds project to aid Communist Cuba with an agricultural program. pp. 7377-8
24. VOCATIONAL EDUCATION. Rep. Fogarty urged passage of his bill H. R. 4027, the proposed Vocational Rehabilitation Amendments of 1963, which he stated provides more time for determining rehabilitation potential. p. 7386
25. FOREIGN TRADE. Rep. Reuss criticized "the Kennedy round-of-trade negotiations" with the Common Market and proposed eliminating the most-favored-nation treatment and forming a free trade area as a better strategy for producing "a reasonable attitude on the part of the Common Market." pp. 7386-9



26. FARM PROGRAM. Rep. Snyder inserted an article criticizing the ruling of ASCS against a wheat farmer assessed penalties for violations of planting allotments pp. 7391-2
27. MANPOWER DEVELOPMENT. Rep. Curtis inserted a series of articles on the training and retraining of workers in the New England States under the Manpower Development and Training Act. pp. 7392-7
28. LANDS. Passed as reported H. R. 2073, to place certain submerged lands within the jurisdiction of Guam, the Virgin Islands, and American Samoa. pp. 7359-60
29. PERSONNEL. Passed over without prejudice H. R. 1819, to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of benefits plans, and H. R. 3517, to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of the Act. p. 7358

ITEMS IN APPENDIX

30. FORESTRY. Extension of remarks of Rep. Fuqua commending forestry as a basic industry of this Nation and inserting articles and resolutions commenting on the Forestry Day program sponsored by the Seaboard Air Line Railroad. pp. A2743-5
31. HEALTH. Extension of remarks of Rep. Fogarty inserting an article, "Environmental Health Has Its Problems, Too." p. A2751
32. PUBLIC WORKS. Extension of remarks of Rep. Kilburn suggesting "political use" of accelerated public works funds and inserting an article on this subject. pp. A2753-4
33. FEED GRAINS. Extension of remarks of Rep. Hoeven inserting an article, "Wheat Farmers Coaxed With 'Sweetened' Bill." p. A2763  
Extension of remarks of Rep. Rosenthal expressing support for passage of the feed grains bill. p. A2790
34. LOBBYING; PERSONNEL. Extension of remarks of Rep. Hall criticizing a remark by one of the congressional liaison officers of HEW, "I am really just a lobbyist" and stating that if other liaison officers hold such views "they should be dismissed." p. A2764
35. YOUTH CORPS. Extension of remarks of Rep. Brotzman inserting an article, "Youth Corps Is Not the Realistic Solution." p. A2771
36. WHEAT. Extension of remarks of Rep. Hoeven stating that "I have contended for a long time that Secretary of Agriculture Freeman has been using undue influence in trying to get a favorable vote in the wheat referendum to be held on May 21, 1963," and inserting an article. pp. A2771-2
37. SUGAR. Extension of remarks of Rep. Latta inserting an article, "Users Not So Sweet--Kennedy Blamed for Sugar Price." pp. A2778-9
38. TRANSPORTATION. Extension of remarks of Rep. Dorn inserting a S. C. General Assembly resolution urging that consideration be given to legislation now pending to exempt certain carriers from minimum rate regulation in the transportation of bulk commodities. pp. A2790-1







# S. 1482

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## IN THE SENATE OF THE UNITED STATES

MAY 8, 1963

Mr. MCGEE introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

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## A BILL

To amend section 407 of the Packers and Stockyards Act of 1921, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the Packers and Stockyards Act of 1921, as amended,  
4       is amended by adding the following new subsection (c) to  
5       section 407:

6       “(c) Notwithstanding any other provision of law, the  
7       authority of the Secretary under this Act shall not apply to  
8       deductions made from sales proceeds for the purpose of  
9       financing promotion and research activities, including edu-  
10      cational activities relating to livestock, meat, and other  
11      products covered by the Act.”

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## A BILL

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To amend section 407 of the Packers and Stock-  
yards Act of 1921, as amended.

---

By Mr. McGEE

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May 8, 1963

Read twice and referred to the Committee on  
Agriculture and Forestry

# S. 1490

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## IN THE SENATE OF THE UNITED STATES

MAY 8, 1963

Mr. ELLENDER (for himself, Mr. ALLOTT, Mr. CARLSON, Mr. EDMONDSON, Mr. LONG of Missouri, Mr. MCGEE, Mr. MECHEM, Mr. MILLER, Mr. MUNDT, and Mr. YOUNG of North Dakota) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

---

## A BILL

To amend section 407 of the Packers and Stockyards Act of 1921, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
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11      products covered by the Act.”

## A BILL

To amend section 407 of the Packers and Stockyards Act of 1921, as amended.

By Mr. ELLENDER, Mr. ALLOTY, Mr. CARLSON,  
Mr. EDMONDSON, Mr. LONG of Missouri, Mr.  
McGEE, Mr. MECHEM, Mr. MILLER, Mr.  
MUNDT, and Mr. YOUNG of North Dakota

MAY 8, 1963

Read twice and referred to the Committee on  
Agriculture and Forestry





## A BILL

to amend the Act relating to the

of the Commission on the

of the Commission on the

of the Commission on the

May 9, 1963

11. FOREIGN AFFAIRS ACADEMY. Sen. Yarborough urged enactment of legislation to provide for establishment of a National Academy of Foreign Affairs and inserted an editorial supporting the proposal. p. 7722
12. ECONOMIC GROWTH. Sen. Dirksen inserted a lecture on economic growth by Dr. Raymond J. Saulnier, "The Dialog on Growth Continued." pp. 7718-21
13. RESEARCH; NOMINATION. Confirmed the nomination of Leland J. Hayworth to be Director of the National Science Foundation for a term of six years. p. 7738
14. ASSISTANT SECRETARIES. Both Houses received from HEW a proposed bill to authorize additional Assistant Secretaries in the Department of Health, Education, and Welfare; to S. Labor and Public Welfare and H. Interstate and Foreign Commerce Committees. pp. 7705, 7707  
The Finance Committee reported without amendment S. 1359, to provide for an additional Assistant Secretary in the Treasury Department (S. Rept. 173). p. 7708
15. TARIFF. Received from the Tariff Commission the third supplemental report on the tariff classification study. p. 7707
16. PERSONNEL. Received from the Civil Service Commission a proposed bill "to amend the Federal Employees Health Benefits Act of 1959"; to Post Office and Civil Service Committee. p. 7707
17. ADJOURNED until Mon., May 13. p. 7779

HOUSE

18. APPROPRIATIONS. The "Daily Digest" states that "Conferees, in executive session, agreed to file a second conference report on the differences between the Senate and House-passed versions of H. R. 5517," the supplemental appropriation bill for 1963. p. D311
19. PACKERS AND STOCKYARDS. The Agriculture Committee reported without amendment H. R. 5860, to amend the Packers and Stockyards Act so as to provide that the authority of the Secretary shall not apply to deductions from the sales proceeds of financing promotion or research activities relating to livestock, meats, and other products covered by the Act (H. Rept. 284). p. 7705
20. TOBACCO. The Tobacco Subcommittee of the Agriculture Committee voted to report to the full committee H. R. 5930, to extend for two additional years the provisions permitting the lease and transfer of tobacco acreage allotments, and H. J. Res. 389 (a clean measure to be introduced), to extend the time by which a lease transferring the allotment may be filed. p. D310
21. TEXTILE IMPORTS. Rep. Sikes "set forth a resume of the significant actions of the President and the Congress during the past 2 years on the textile import problem." pp. 7686-8
22. AREA REDEVELOPMENT. The report of the Banking and Currency Committee on H. R. 4996, to amend the Area Redevelopment Act (see Digest 66), states that the bill includes seven major provisions as follows:

"Raise the limit on each of the two industrial loan funds (one for urban areas and one for rural areas) from \$100 million to \$250 million.

"Increase the ceiling on public facility loans from \$100 million to \$150 million.



"Place all ARA loan programs on an appropriations basis and eliminate the authority for direct Treasury financing.

"Increase the amount which may be appropriated for public facility grants from \$75 million to \$175 million.

"Raise the limit on annual appropriations for technical assistance from \$4.5 million to \$10 million.

"Permit the 10 percent of the financing of industrial projects which must be met by a local public or semipublic body to be repaid over the same period as the Federal share of financing. (Existing law requires that this local loan cannot be repaid until the Federal loan is fully retired which may be as long as 25 years.)

"Require that construction workers on any projects financed under ARA be paid prevailing wages as required by the Davis-Bacon Act."

23. ELECTRIFICATION. Rep. Michel stated that REA "needs a complete shakeup and overhauling" and <sup>that "it is time for Congress to</sup> recognize its responsibility to the Nation's taxpayers by asserting its control over the REA's activities through the appropriations process." p. 7691

Rep. Holifield stated that the Hanford power project is a success because it passed "the ultimate judgment on the financial feasibility of" the project through the sale of its bonds. pp. 7701-4

24. ADMINISTRATIVE LAW. Rep. Randall urged passage of H. R. 6160, to authorize lawyers to practice before Federal agencies without special admission to agency bars, as a means by which the legal problems of a client "with the various Federal agencies here in Washington can then be handled by his own local attorney. pp. 7684-5

25. FORESTRY; ROADS. Rep. Cleveland urged that "States having large areas of national forests should be granted the same benefits with respect to Federal-aid highway matching requirements as have been extended to those States with large areas of public domain and Indian lands." pp. 7690-1

26. WATER POLLUTION. Rep. McDowell agreed with the need of a bill similar to that introduced by Sen. Nelson setting standards for detergents. p. 7701

27. PERSONNEL. Received from Civil Service Commission a proposed bill "to improve the financing of the civil service retirement system"; to Post Office and Civil Service Committee. p. 7705

The Education and Labor Committee voted to report (but did not actually report) H. R. 6041, to include fringe benefits in computation of wages of contractors' employees. p. D310

28. LEGISLATIVE PROGRAM. Rep. Albert announced that on Wed. and the balance of the week H. R. 6009, to provide for temporary increases in the public debt ceiling to \$307 billion, will be considered under a closed rule. p. 7681

29. ADJOURNED until Mon., May 13. p. 7705.

#### ITEMS IN APPENDIX

30. CONSUMER SERVICES. Extension of remarks of Rep. Burkhalter inserting his statement on the consumer services of this Department and stating that "Too many people are not aware of the daily advantages afforded them by the work and efforts of members of the Department of Agriculture." pp. A2901-2



## PRODUCER LIVESTOCK PROGRAMS

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MAY 9, 1963.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

Mr. COOLEY, from the Committee on Agriculture, submitted the following

### R E P O R T

[To accompany H.R. 5860]

The Committee on Agriculture, to whom was referred the bill (H.R. 5860) to amend section 407 of the Packers and Stockyards Act of 1921, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### STATEMENT

The purpose of this bill is to facilitate and permit the carrying out, free of Federal regulation, voluntary programs for promotion, research, and education relating to livestock, meat, and other commodities and products covered by the Packers and Stockyards Act, 1921, as amended, and the financing of such programs by producers and participating allied interests.

For the past 41 years, producers of livestock, together with cooperating market agencies and participating packers, have conducted through the National Livestock and Meat Board, a voluntary program of research, education, and promotion of meat and meat products. This program has been financed largely through small deductions from the sales proceeds of livestock at the time of its marketing. These deductions usually are made by producer agents, who have been engaged to sell the livestock, and the amounts of such deductions are shown on the accounts of sale.

Any producer who objects, is not only free to instruct his agent that he does not wish to participate in the program, but he may, upon seasonable request, obtain a refund of any deductions which may have been made. This program, throughout the years, has had continued support of livestock producers and has proved effective in keeping the public informed of the value of meat and meat food products in human diets.

This legislation has become necessary because a question has been raised whether deductions for such promotional purposes from the proceeds of the sale of livestock can be made under the Packers and Stockyards Act unless such deductions are supported in each instance by a prior written order, and unless market agencies are willing to make such deductions for any organization or organizations making the request.

The recordkeeping and costs involved in attempting to obtain current written orders would be prohibitive when compared to the small amounts involved. Furthermore, the requirement that if deductions were made for the National Livestock and Meat Board they would likewise have to be made for all other organizations, would have the effect of destroying the voluntary character of the program and of subjecting the participating organizations upon whom the producers must depend for this program to such onerous conditions as to make it virtually impossible for the program to continue. This corrective legislation will remove all doubt and ambiguity by taking promotion, research, and educational type programs with respect to all commodities and products covered by the Packers and Stockyards Act, and their financing, out from under the provisions of that act.

This action will place producers, their market agencies, and participating packers on the same footing as are the producers of other agricultural commodities, and will enable the program which has been so successfully carried out by the National Livestock and Meat Board without written authorizations to be continued on a voluntary basis free of Federal regulation, since the legislation makes it clear that the deductions which are made for financing the program are not and should not be construed to be acts or practices in commerce.

#### HEARINGS SHOW SUPPORT

Hearings were held on H.R. 5860 and H.R. 5861. The committee was impressed with the unanimity of support for this measure which was manifested by testimony, written statements, letters, and telegrams from all the major farm organizations and from national, regional, and State livestock organizations. The measure was also supported by the three different packer organizations whose members cooperate in the financing of the program. It also has the support of the National Council of Farmer Cooperatives and the National Wool Growers Association. Not a single witness or organization appeared in opposition.

#### DEPARTMENTAL POSITION

In his report on the bill, the Secretary of Agriculture stated that the Department "has no objection to the enactment of the bill in its present form." The Secretary further stated:

\* \* \* It is our understanding that the purpose of this proposed legislation is to exempt from regulation under the Packers and Stockyards Act deductions made for the types of activities referred to in the bill when carried out by producer-sponsored organizations such as the National Livestock and Meat Board and that the bill is not intended to exempt from the Packers and Stockyards Act deductions

which may be made for such activities carried out by organizations which are not producer sponsored. If the bill is enacted in its present form, we would so interpret and administer it.

As recognized by the Secretary, the major part of the funds of the program carried out by the National Livestock and Meat Board is derived from producers and it is at all times within their power either to participate or not to participate in the program. Under such circumstances, it is clear that the producers are in complete control through their power to grant or withhold financial support, and that no approval is required by the Federal Government either of the program or the organization carrying it out.

#### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

#### PACKERS AND STOCKYARDS ACT, 1921, AS AMENDED

#### TITLE IV—GENERAL PROVISIONS

SEC. 407. (a) The Secretary may make such rule, regulations, and orders as may be necessary to carry out the provisions of this Act and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and shall have the power to appoint, remove, and fix the compensation of such officers and employees, not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, telegrams, telephones, law books, books of reference, periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to the administration of this Act in the District of Columbia and elsewhere, and as may be appropriated for by Congress, and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for such purpose.

(b) *The Secretary shall maintain within the Department of Agriculture a separate enforcement unit to administer and enforce title II of this Act.*

(c) *Notwithstanding any other provision of law, the authority of the Secretary under this Act shall not apply to deductions made from sales proceeds for the purpose of financing promotion and research activities, including educational activities relating to livestock, meat, and other products covered by the Act.*







88TH CONGRESS  
1ST SESSION

# H. R. 5860

[Report No. 284]

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 1963

Mr. POAGE introduced the following bill; which was referred to the Committee on Agriculture

MAY 9, 1963

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

## A BILL

To amend section 407 of the Packers and Stockyards Act of 1921, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
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10      cational activities relating to livestock, meat, and other  
11      products covered by the Act.”

88<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**H. R. 5860**

[Report No. 284]

# **A BILL**

To amend section 407 of the Packers and Stock-  
yards Act of 1921, as amended.

By Mr. Poage

April 25, 1963

Referred to the Committee on Agriculture

May 9, 1963

Committed to the Committee of the Whole House on  
the State of the Union and ordered to be printed







May 20, 1963

15. **PACKERS AND STOCKYARDS.** Passed without amendment H. R. 5860, to amend the Packers and Stockyards Act so as to provide that the authority of the Secretary shall not apply to deductions from the sales proceeds for financing promotion or research activities relating to livestock, meats, and other products covered by the Act. Rejected an amendment by Rep. Dingell to require that such deductions be made only upon the seller's authorization. pp. 8431-3
16. **COTTON.** Rep. Jones (Mo.) criticized the "inequities" which "have developed in the distribution of cotton acreage allotment between individual farms." p.8437
17. **WHEAT.** Rep. Watson criticized the "governmental pressures being brought...for a favorable vote on the referendum on wheat". p. 8428  
Rep. Findley urged a large vote in the wheat referendum. p. 8429
18. **SOIL CONSERVATION.** Reps. Legget and McIntire complimented the work of the soil conservation districts as the sponsors of Soil Stewardship Week. pp. 8437-8  
Rep. Jensen complimented the work of Hugh Bennett as the father of the Soil Conservation Service. p. 8429
19. **LAND-USE ADJUSTMENT.** Received from this Department a proposed bill "to remove the \$10 million limitation on programs carried out under section 16(e)(7) of the Soil Conservation and Domestic Allotment Act for 1964 and subsequent calendar years"; to Agriculture Committee. p. 8474
20. **FARM PROGRAM.** Rep. Thompson (N.J.) explained a Birch society's stand toward Federal farm programs and TVA. pp. 8455-7
21. **PERSONNEL.** The Education and Labor Committee reported without amendment H. R. 6041, to include fringe benefits in computation of wages of contractors' employees (H. Rept. 308). p. 8474  
Passed without amendment H. R. 1819, to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of benefits plans. p. 8430  
Passed without amendment H. R. 5569, to permit the recovery by the Government of amounts due the Government in the settlement of claims under the Civil Service Retirement Act. pp. 8430-1  
Passed over without prejudice H. R. 3517, to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of the Act. p. 8430  
Received from the Civil Service Commission a proposed bill "to adjust the rates of basic compensation of certain officers and employees in the Federal Government"; to Post Office and Civil Service Committee. p. 8474
22. **NATIONAL PARKS.** Agreed to as reported H. Con. Res. 61, to express the sense of Congress in respect to marking the Lewis and Clark Trail from St. Louis, Mo., to the Pacific Northwest. p. 8431
23. **RECLAMATION.** Received from Interior a proposed bill to "provide for construction, maintenance, and operation of the Michaud Flats irrigation project"; to Interior and Insular Affairs Committee. p. 8474
24. **TARIFF.** Received from the Tariff Commission the fifth supplemental report on the tariff classification study made under the Tariff Classification Act of 1962. p. 8474

25. FLOOD INSURANCE. Received a memorial from the Md. Legislature requesting enactment of legislation to implement the Federal Flood Insurance Act of 1956. p. 8475
26. ELECTRIFICATION. Rep. Saylor criticized the contracts between the Bonneville Power Administration and the Washington Public Power Supply System as not complying with the civil rights law. pp. 8461-4
27. TVA. Rep. Jones (Ala.) inserted the President's remarks on the anniversary of the Tennessee Valley Authority. pp. 8469-70

ITEMS IN APPENDIX

28. RESEARCH. Extension of remarks of Rep. Gross inserting an article, "Control of Research," and stating that "it properly expresses alarm over the increasing domination of the Nation's total research effort by the Federal Government." pp. A3141-2
29. FARM PROGRAM. Extension of remarks of Sen. Young, N. Dak., inserting a farmer's open letter to the Congress discussing farm problems. p. A3143  
Extension of remarks of Rep. Secrest inserting an address by R. M. Kock, president, National Limestone Institute, Inc., "Agriculture at the Washington Level." pp. A3155-7  
Extension of remarks of Rep. Skubitz inserting an article, "What Is A Farmer?" p. A3157  
Extension of remarks of Rep. Chamberlain inserting an article criticizing the feed grain program. p. A3165
30. WHEAT. Extension of remarks of Rep. Skubitz inserting an editorial and stating that it "very properly denounces Secretary Freeman's use of the taxpayers' money to influence a yes vote on the wheat referendum." p. A3146  
Extension of remarks of Rep. Rhodes inserting Ezra Benson's statement urging defeat of the wheat referendum. p. A3164  
Extension of remarks of Rep. Skubitz inserting an article, "Voting for Freedom?" opposing a "Yes" vote in the wheat referendum. p. A3181
31. MEAT IMPORTS. Extension of remarks of Rep. Berry criticizing beef imports and stating that "the administration's policy of allowing this flood of foreign beef is a calculated effort, instigated by the Secretary of Agriculture, to bring economic pressure on the American cattlemen..." p. A3149
32. ELECTRIFICATION. Extension of remarks of Rep. Evins inserting editorials and articles regarding the President's visit in connection with the celebration of the 30th anniversary of TVA. pp. A3162-4  
Extension of remarks of Rep. Cramer inserting a statement and letters in reply to alleged charges of the Rural Electric Cooperative Association. pp. A3177-9
33. EXPENDITURES; APPROPRIATIONS. Extension of remarks of Rep. Alger stating that "the administration continues to ask for appropriations far in excess of actual need..." and that "before we appropriate new billions it is just good horseshoe to ask how much there is left in unexpended funds already appropriated." pp. A3164-5  
Extension of remarks of Rep. Alger inserting an article, "Another Way To Measure Government Spending." pp. A3175-6



amended (5 U.S.C. 2265), is amended by adding at the end thereof the following new subsection:

(c) Notwithstanding any other provision of law, the Commission is authorized to take appropriate action on counterclaims filed by the Government as set off against amounts otherwise due and payable from the fund to the debtors concerned."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### HARPERS FERRY NATIONAL HISTORICAL PARK

The Clerk called the bill (S. 18) to change the name of Harpers Ferry National Monument to Harpers Ferry National Historical Park.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Reserving the right to object, I have one quick question to ask concerning this bill: This is designed only to change the name, and does not contemplate the expenditure of additional funds from the Federal Treasury; is that correct?

Mr. MORRIS. The gentleman is exactly correct.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Harpers Ferry National Monument established pursuant to the Act entitled "An Act to provide for the establishment of the Harpers Ferry National Monument", approved June 30, 1944 (58 Stat. 645), shall hereafter be known as Harpers Ferry National Historical Park, and any law, regulation, document, or record of the United States in which such monument is designated or referred to under the name of Harpers Ferry National Monument shall be held to refer to such monument under and by the name of Harpers Ferry National Historical Park.*

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### THE LEWIS AND CLARK TRAIL

The Clerk called the concurrent resolution (H. Con. Res. 61) to express the sense of Congress in respect to the Lewis and Clark Trail from St. Louis, Mo., to the Pacific Northwest.

There being no objection, the Clerk read the concurrent resolution as follows:

*Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the route traversed by Captains Meriwether Lewis and William Clark on their expedition of 1804-1806 from Saint Louis, Missouri, to the Pacific Northwest should, to the greatest extent feasible, be identified, marked, and kept available for the inspiration and enjoyment of the American people and that, to this end, (a) all agencies of the United States which administer lands along the route of the expedition, including particularly the Departments of the Interior, Agriculture, and the*

*Army, should act in concert to preserve and mark in an appropriate fashion the route wherever it crosses lands which they administer and to assure public access to the lands so crossed, and (b) that all States, counties, municipalities, and private parties who own land along the route or are otherwise interested in the success of this project should be invited, and they are hereby invited, to join in preserving, marking, and assuring public access to the route of the expedition.*

With the following committee amendment:

Page 2, lines 6 and 7, strike out "preserving, marking, and assuring public access to the route of the expedition," and insert "memorializing, preserving, and marking the route of the expedition."

The committee amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

#### JUNEAU INDIAN VILLAGE, ALASKA

The Clerk called the bill (S. 247) to authorize survey and establishment of a townsite for the Juneau Indian Village in Alaska.

There being no objection, the Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of May 25, 1926 (44 Stat. 629; 48 U.S.C. 355a-355d), is hereby extended and made applicable to all lands of the Juneau Indian Village of Alaska, including uplands and filled in tidelands occupied on the date of this Act.*

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### WAPATO INDIAN IRRIGATION PROJECT, WASHINGTON

The Clerk called the bill (H.R. 641) to approve an order of the Secretary of the Interior canceling and deferring certain irrigation charges, eliminating certain tracts of non-Indian-owned land under the Wapato Indian irrigation project, Washington, and for other purposes.

There being no objection, the Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with the Act of June 22, 1936 (49 Stat. 1803; 25 U.S.C. 389-389e), the order of the Secretary of the Interior dated September 12, 1962, canceling \$4,494.58 of delinquent irrigation charges, providing for the deferred payment of \$10,356.03, and providing for the removal of 78.12 acres of assessable land from the Wapato Indian irrigation project, is hereby approved.*

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### PRODUCER LIVESTOCK PROGRAMS

The Clerk called the bill (H.R. 5860) to amend section 407 of the Packers and Stockyards Act of 1921, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PELLY. Mr. Speaker, I reserve the right to object in order to ascertain if possible the cost of this legislation. I do not have the information as to any amount that it might cost, and I do not have any indication that the Bureau of the Budget has given their approval to this legislation.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from Iowa.

Mr. HOEVEN. There is no Federal Government money involved whatsoever. This is entirely a voluntary program, paid for by the livestock industry without Government money.

This legislation is necessary in that the Department of Agriculture is of the opinion that under the Packers and Stockyards Act some question has arisen as to whether deductions for promotional purposes can be made from the proceeds of the sale of livestock unless such deductions are supported in each instance by a prior written order by the producer. The producer himself makes the decision. If deductions are made and the producer is not satisfied, he can ask for a refund of any deductions which may have been made.

This bill was unanimously approved by the Committee on Agriculture. As far as I know it has the unanimous and wholehearted support of practically every farm organization in the country as well as the National Livestock and Meat Board. This is a good bill for the livestock industry.

Mr. PELLY. Mr. Speaker, in view of the fact there is no cost to the Government involved here and in view of the fact that those on the Committee on Agriculture are unanimously in support of this bill, I withdraw my reservation of objection.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Packers and Stockyards Act of 1921, as amended, is amended by adding the following new subsection (c) to section 407:*

*"(c) Notwithstanding any other provision of law, the authority of the Secretary under this Act shall not apply to deductions made from sales proceeds for the purpose of financing promotion and research activities, including educational activities relating to livestock, meat, and other products covered by the Act."*

Mr. DINGELL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: Strike the quotation mark in line 11 and add as follows: "Notwithstanding any other provision of this Act, it shall be unlawful for any person, firm, association or corporation to deduct any charges, fees or contributions from sales proceeds for the purpose of financing promotion activities, unless such person, firm, association or corporation has first been presented with an individual writ-



ten order therefor signed by the seller, and by his or her spouse, if married."

[Mr. DINGELL addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. QUIE. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I have had a great deal of experience in my occupation as a farmer with checkoffs for promotional and research purposes. There are a number of commodities today, that is, agricultural commodities, that have this same authority that we are asking for meat products in this bill. The dairy industry has this and it works well. It is a voluntary checkoff. It does not require anyone to do it. The proposal here is the same as applies to the meat industry where the person who has an amount checked off from his sales of cattle or hogs can voluntarily permit it to be checked off or he can request that it not be checked off. Or if it has been checked off, he can ask for a refund. The marketing agency, which voluntarily makes the checkoff, does not have to do so if it does not want to.

We have had this before us for a long time. It is a peculiarity of the Packers and Stockyards Act, which requires the Secretary of Agriculture to get into this complicated mechanism whereby he must make regulation affecting the livestock industry checkoffs. This bill has the support of the Department of Agriculture, but I am sure the amendment does not. The bill will enable this one commodity to be treated like the other agricultural commodities are. It is a free choice on their part. History has shown that these checkoff programs need no undue Government supervision since the funds will dry up without producer support.

When the question was asked whether this would cost the Department of Agriculture any money, just the reverse is true. It will cost the Department of Agriculture less money, because they will not have to go through the complicated procedure of requiring each person to give a prior written order before money can be checked off.

The Dingell amendment would ruin what we want to be a voluntary program. We are trying to enable the farmers to try to solve their own problems with promotional and research activities. If we deny them this right by adopting the amendment offered by the gentleman from Michigan, it would be ruinous to the program.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. HOEVEN. The amendment offered by the gentleman from Michigan will completely destroy the force and effect of this bill. In fact, the purpose of the legislation before us is to get away from the very thing that the gentleman from Michigan is now proposing. The amendment should be defeated.

There was not one individual who appeared in opposition to the bill. The Farm Bureau advocates it, I understand the Farmers Union, and the Grange and

the industry in general approve it. As I stated, not one single witness appeared in opposition to this bill.

This is a popular piece of legislation, and it is particularly needed at this time when we have a problem with cattle and livestock prices. We have to have this kind of legislation if we are to encourage the people of the country to eat more pork and meat. In this way we will help the livestock industry of this country.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Michigan.

Mr. DINGELL. How many times under this amendment is money going to be extracted from the livestock producer?

Mr. QUIE. Under the program that could be set up, every time he sells his stock to a packer, money can be deducted.

Mr. DINGELL. It can be deducted every step down the line. The packer, the middleman. The middleman deducts and the packer deducts.

Mr. QUIE. If the packer does not wish to have money deducted, he does not have to. If any producer or if any middle man or commission man between producer and packer does not want to have it deducted, they need not have any part of it deducted.

Mr. DINGELL. Is it not so that under the present system and under the system that would be authorized if this bill is passed, the individual who sells the livestock, or anyone who sells these commodities, would have to go through all the work of writing a letter and saying, "I do not want this done" to get his money back. In other words, he might have to invest a 5-cent stamp to get back 3 cents.

Is it not easier to say to the marketers, "If you want to get this promotion money, you should at least have the consent of the man who raises the animal and sells it to him before he starts taking money out of his pocket"?

Mr. QUIE. The producers with which this is closely related may make a statement if they do not want it deducted. And it is marked very clearly on his check when it is sent to him that so much is deducted for promotion. If he does not want this done he sends in a letter to that effect. If a producer ships through a cooperative, its entire membership can make a policy decision. The situation will be exactly like it is for other commodities. I am very familiar with the dairy industry, and all a person has to do in the dairy industry is to write a letter to his milk plant saying he does not want a deduction made, and it is not deducted from his check. With this amendment it would be impossible to function, and it is too expensive for the agency to operate, and more money would be spent for administrative costs than should be spent for promotion.

I hope that we will vote down the amendment and that there will be no objection to the bill.

Mr. DUNCAN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I am not certain that I can add anything to the words of the distinguished gentleman from Minnesota, but I do want the House to be

aware of the fact that this certainly was not a partisan matter in the subcommittee or in the full committee. Briefly, the history of this matter is that the Secretary of Agriculture has issued regulations in essentially the same words as the proposed amendment offered by the gentleman from Michigan. The entire purpose of this legislation is to obviate the necessity for any such regulations as the gentleman from Michigan is now proposing you adopt and make law today. His amendment is unnecessary. If the bill is defeated, then in that event, the Secretary of Agriculture can promulgate regulations similar to what we have today.

This type of promotional activity has a long history. The board that sponsored it was organized away back in the twenties. The amount of deduction involved here is very small. It runs from 1 to 3 cents a head for cattle, from a third to 1 cent on pork, and a third to 1 cent on sheep. The livestock industry has been characterized throughout history with freedom from Government controls, and the purpose of this legislation is to prohibit the imposition of one additional Government control on an industry which thus far has been completely free of it.

The gentleman from Michigan suggests that this legislation is imposing a tax. There is no tax imposed here. The deduction of this sum of money is purely on a voluntary basis. Any time the producer wants to stop it, all he has to do is to tell his selling agent he does not want it deducted. There is no rigmarole, petition, or anything else connected with it. All we are trying to do is to eliminate one area of governmental control. And I might say I think the industry has been very successful in promotional activities for which the funds herein discussed are devoted.

The gentleman from Michigan suggests that once the cattle have been sold to the stockyards the producer is no longer interested in the disposition of the carcass; yet, all of us know that if that meat that is processed is not sold or is not consumed, the market for the farmer's cattle is to that extent diminished. What we are trying to do is to continue a voluntary program, operate in a spirit of free economy, and let the farmers go ahead free of any governmental activity.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN. I yield to the gentleman from Iowa.

Mr. HOEVEN. Of course, the gentleman realizes that we have to present a bill which will be agreeable and acceptable to the livestock commission firms.

Under the gentleman's amendment it would be a terrific burden on commission people in the matter of bookkeeping. Every time a farmer brought his livestock to market, he would have to present a written request, and a record would have to be made of every written request made. We want to get away from that burdensome task. Again let me emphasize that this is a voluntary program. No livestock producer has to engage in the program unless he wants to do so.



The deductions will be made with his knowledge and consent. If he is not satisfied, he can get his money back if deductions have been made. It is a completely voluntary program without any governmental dictation or regulations whatsoever. All we are trying to do in this legislation is to help the livestock industry of this country.

Mr. DUNCAN. I would assume, sir, that a continuing authorization could be made to the livestock sales organization, if this were deemed necessary. And, I would say to the gentleman from Michigan, if I thought for one moment that this was going to be a burden, going to create a hardship, that any dishonesty was going to be involved, or expense to the producer, I would not support this bill. But I was convinced from the testimony that we heard, without objection, that this was a matter solely within the discretion of the producer himself. In other words, at any time he did not want to make these payments, all he has to do is open his mouth and say so and the money would not be deducted in the first place. Further, if it had been and he did not want it deducted, he can get his money back. It is just that simple.

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### SALE OF LAND ON ROSEBUD SIOUX INDIAN RESERVATION, S. DAK.

The Clerk called the bill (H.R. 2467) to authorize the sale and exchange of isolated tracts of tribal land on the Rosebud Sioux Indian Reservation, S. Dak.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask some member of the committee whether an Indian has priority in the purchase of this land?

Mr. BERRY. Mr. Speaker, if the gentleman will yield, there is no provision, I might say to the gentleman from Iowa, for the prior treatment of an Indian, because it is off the Indian reservation. It is in an area ranging from 25 to 75 miles from the Indian reservation.

Mr. GROSS. Does not the gentleman think that an Indian ought to have priority in the purchase of tribal land that can be sold under the terms of this bill?

Mr. BERRY. He has where it is on the reservation area, but on this land it would not add anything to the benefit of the Indian.

Mr. GROSS. It will not?

Mr. BERRY. No; because the Indian will not be buying enough of it.

Mr. GROSS. The chances are he will not have the opportunity under the terms of this bill, will he?

Mr. BERRY. If the gentleman will yield further, he would have the same right and the same opportunity as anyone else.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, upon request of the Rosebud Sioux Tribe, South Dakota, acting through its governing body, the Secretary of the Interior is authorized to exchange or to sell, by public or by negotiated sale, the tribal interests in isolated tracts of land held by the United States in trust for the tribe: Provided, (1) That the Secretary of the Interior certifies that the tract is isolated in that it is so located or situated that it would be to the economic advantage of the tribe to sell or exchange the tract; (2) that the amount or exchange value received by the tribe is not less than the fair market value of the tribal trust land and is accepted by the tribe; (3) that any proceeds from the sale of land under this Act are used exclusively for the purchase of land on the reservation within land consolidation areas approved by the Secretary of the Interior; (4) that title to any land acquired under this Act by purchase or exchange shall be taken in the name of the United States in trust for the tribe; (5) that if lands in an exchange are not of equal value the difference in value may be paid in money; and (6) that if an Indian acquires the tribal trust land, title shall be taken in the name of the United States in trust.*

With the following committee amendments:

Page 1, line 7, after "land" insert "located in Tripp, Gregory, and Lyman Counties, South Dakota, and".

Page 2, line 8, after "acquired" insert "for the tribe".

Page 2, line 12, strike out "Indian" and insert "enrolled member of the Rosebud Sioux Tribe".

Page 2, line 13, strike out "shall" and insert "may".

Page 2, after line 14, add a new section to read:

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### DONATING LAND TO THE DEVILS LAKE SIOUX TRIBE

The Clerk called the bill (H.R. 2905) to donate to the Devils Lake Sioux Tribe of the Fort Totten Indian Reservation, N. Dak., approximately 275.74 acres of federally owned land.

There being no objection, the Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the right, title, and interest of the United States in the real property described below, and the improvements thereon, located within the Fort Totten Indian Reservation, North Dakota, are hereby declared to be held in trust by the United States for the use and benefit of the members of the Devils*

Lake Sioux Tribe of the Fort Totten Indian Reservation, North Dakota, subject to existing valid rights-of-way: Lot 1, section 16; lots 6, 7, 8, 9, 10, southwest quarter northeast quarter northeast quarter, southeast quarter northeast quarter, section 17; the west two hundred and twenty feet of the north 1,255.3 feet of lot 2, section 16; the north 38.13 acres of lot 2, section 17, and the north 11.46 acres of lot 3, section 17, these parcels being that portion of the west two hundred and twenty feet of lot 2, section 16 and those portions of lots 2 and 3, section 17, not embraced in Devils Lake Sioux Allotment Numbered 585 of Jesse G. Palmer for which Patent Numbered 412546 was issued to Frank Palmer, heir of Jesse G. Palmer, on June 10, 1914, all of said lands being situated in township 152 north, range 65 west, fifth principal meridian, Benson County, North Dakota, containing 275.74 acres more or less.

SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### UNIFORM AUDIT REQUIREMENTS

The Clerk called the bill (H.R. 4223) to provide for audit of accounts of private corporations established under Federal law.

There being no objection, the Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the term "private corporations established under Federal law" as used in this Act means the following organizations:*

- (1) Agricultural Hall of Fame.
- (2) American Chemical Society.
- (3) American Historical Association.
- (4) The American Legion.
- (5) The American National Theater and Academy.
- (6) American Society of International Law.
- (7) American Symphony Orchestra League.
- (8) American War Mothers.
- (9) AMVETS (American Veterans of World War II).
- (10) Belleau Wood Memorial Association.
- (11) Big Brothers of America.
- (12) Blinded Veterans Association.
- (13) Blue Star Mothers of America.
- (14) Board for Fundamental Education.
- (15) Boy Scouts of America.
- (16) Boys' Clubs of America.
- (17) Civil Air Patrol.
- (18) Conference of State Societies, Washington, District of Columbia.
- (19) The Congressional Medal of Honor Society of the United States of America.
- (20) Daughters of the American Revolution.
- (21) Disabled American Veterans.
- (22) The Foundation of the Federal Bar Association.
- (23) Future Farmers of America.
- (24) Girls Scouts of America.
- (25) Grand Army of the Republic.
- (26) Jewish War Veterans, U.S.A., National Memorial, Inc.
- (27) Ladies of the Grand Army of the Republic.
- (28) Legion of Valor of the United States of America, Incorporated.



- (29) Marine Corps League.
- (30) Military Chaplains Association of the United States of America.
- (31) Military Order of the Purple Heart of the United States of America.
- (32) National Academy of Sciences.
- (33) National Conference on Citizenship.
- (34) National Fund for Medical Education.
- (35) National Music Council.
- (36) National Safety Council.
- (37) National Woman's Relief Corps, Auxiliary to the Grand Army of the Republic.
- (38) The National Yeomen F.
- (39) Naval Sea Cadet Corps.
- (40) Navy Club of the United States of America.
- (41) Reserve Officers Association.
- (42) Sons of the American Revolution.
- (43) Sons of Union Veterans of the Civil War.
- (44) United Spanish War Veterans.
- (45) United States Blind Veterans of World War I.
- (46) United States Olympic Association.
- (47) Veterans of Foreign Wars of the United States.
- (48) Veterans of World War I of the United States of America.

SEC. 2. The accounts of private corporations established under Federal law shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the corporations are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporations and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

SEC. 3. The report of each such independent audit shall be submitted to the Congress not later than six months following the close of the fiscal year for which the audit was made. The report shall set forth the scope of the audit and include such statements as are necessary to present fairly the corporation's assets and liabilities, surplus or deficit with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the corporation's income and expenses during the year including the results of any trading, manufacturing, publishing, or other commercial-type endeavor carried on by the corporation, together with the independent auditor's opinion of those statements. The report shall not be printed as a public document.

SEC. 4. The following provisions of law are hereby repealed:

(1) The words "including a full, complete, and itemized report of receipts and expenditures, of whatever kind" contained in section 8 of the Act of June 15, 1916 (39 Stat. 229; 36 U.S.C. 28);

(2) The words "including a full, complete, and itemized report of receipts and expenditures of whatever kind" contained in section 7 of the Act of March 16, 1950 (64 Stat. 24, as amended; 36 U.S.C. 37);

(3) The words "including a full and complete report of its receipts and expenditures" contained in section 9 of the Act of September 16, 1919 (41 Stat. 285; 36 U.S.C. 49);

(4) The words "including a full and complete report of its receipts and expenditures" contained in section 8 of the Act of July 5, 1935 (49 Stat. 459);

(5) The words "including the full and complete statement of its receipts and ex-

penditures" contained in section 4 of the Act of August 4, 1937 (50 Stat. 559; 36 U.S.C. 58);

(6) The words "including the full and complete statement of its receipts and expenditures" contained in section 5 of the Act of March 3, 1923 (42 Stat. 1441; 36 U.S.C. 65);

(7) Section 14 of Public Law 86-47 (73 Stat. 79; 36 U.S.C. 78m);

(8) The words "including a full and complete report of its receipts and expenditures" contained in section 9 of the Act of June 17, 1932 (47 Stat. 321, as amended; 36 U.S.C. 901);

(9) The words "including a full and complete report of its receipts and expenditures" contained in section 11 of the Act of February 24, 1925 (43 Stat. 968; 36 U.S.C. 101);

(10) The words "including a full and complete report of its receipts and expenditures" and the word "financial" contained in section 8 of the Act of May 28, 1936 (49 Stat. 1391; 36 U.S.C. 118);

(11) The words "including a full and complete statement of its receipts and expenditures" contained in section 4 of the Act of June 6, 1940 (54 Stat. 233; 36 U.S.C. 140c);

(12) Section 15 of the Act of June 30, 1950 (64 Stat. 315; 36 U.S.C. 235);

(13) Section 14 of the Act of August 30, 1950 (64 Stat. 566; 36 U.S.C. 284);

(14) The words "including the full and complete statement of its receipts and expenditures" contained in section 7 of the Act of September 20, 1950 (64 Stat. 869; 36 U.S.C. 317);

(15) Section 9 of the Act of September 20, 1950 (64 Stat. 872; 36 U.S.C. 349);

(16) The words "including the full and complete statement of its receipts and expenditures" contained in section 12 of the Act of September 21, 1950 (64 Stat. 982; 36 U.S.C. 382);

(17) Section 16 of the Act of April 3, 1952 (66 Stat. 40; 36 U.S.C. 416);

(18) Section 14 of the Act of August 13, 1953 (67 Stat. 565; 36 U.S.C. 444);

(19) Section 15 of the Act of August 13, 1953 (67 Stat. 573; 36 U.S.C. 475);

(20) Section 14 of the Act of July 19, 1954 (68 Stat. 491; 36 U.S.C. 514);

(21) Section 15 of the Act of August 20, 1954 (68 Stat. 751; 36 U.S.C. 545);

(22) Section 14 of the Act of August 24, 1954 (68 Stat. 799; 36 U.S.C. 584);

(23) Section 14 of the Act of August 28, 1954 (68 Stat. 894; 36 U.S.C. 614);

(24) Section 14 of the Act of August 4, 1955 (69 Stat. 489; 36 U.S.C. 644);

(25) Section 14 of the Act of August 1, 1956 (70 Stat. 796; 36 U.S.C. 674);

(26) Section 14 of the Act of August 6, 1956 (70 Stat. 1056; 36 U.S.C. 704);

(27) Section 15 of Public Law 85-530 (72 Stat. 374; 36 U.S.C. 775);

(28) Section 14 of Public Law 85-642 (72 Stat. 600; 36 U.S.C. 804);

(29) Section 14 of Public Law 85-761 (72 Stat. 858; 36 U.S.C. 834);

(30) Section 14 of Public Law 85-769 (72 Stat. 926; 36 U.S.C. 864);

(31) Section 14 of Public Law 85-870 (72 Stat. 1694; 36 U.S.C. 894);

(32) Section 13 of Public Law 85-903 (72 Stat. 1741; 36 U.S.C. 923);

(33) Section 14 of Public Law 86-653 (74 Stat. 518; 36 U.S.C. 954);

(34) Section 14 of Public Law 86-680 (74 Stat. 576; 36 U.S.C. 984);

(35) Section 15 of Public Law 87-650 (76 Stat. 505; 36 U.S.C. 1015);

(36) Section 14 of Public Law 87-655 (76 Stat. 533; 36 U.S.C. 1054);

(37) Section 14 of Public Law 87-817 (76 Stat. 933);

(38) The words "including the full and complete statements of its receipts and ex-

penditures" contained in section 8 of the Act of August 25, 1937 (50 Stat. 800).

With the following committee amendments:

On page 5, line 6, strike out the period and insert: ", except as part of proceedings authorized to be printed under the Act of March 2, 1931, chapter 378, section 1, as amended."

On page 7, line 14, strike out "982" and insert "902".

On page 8, line 10, strike out "1056" and insert "1055".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the bills on the Consent Calendar.

### CONSOLIDATING VICKSBURG NATIONAL MILITARY PARK

Mr. MORRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1162) to consolidate Vicksburg National Military Park and to provide for certain adjustments necessitated by the installation of a park tour road, and for other purposes.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, in order to preserve and protect the essential historical features of Vicksburg National Military Park in the State of Mississippi and to enhance visitor enjoyment and safety by means of a park tour road and through the consolidation of park lands, the Secretary of the Interior is authorized, in his discretion, and under such terms and conditions as he determines are in the public interest—

(a) to quitclaim to the city of Vicksburg, Mississippi, approximately one hundred and fifty-four acres of land, including the roads thereon and the park land abutting said roads, in exchange for the city's agreeing to place the roads in its road system and thereby assume jurisdiction and maintenance thereof, and upon the further agreement of the city to maintain the parklike character of so much of the park land conveyed to it and abutting the road as the Secretary may prescribe, said land being generally that part of Vicksburg National Military Park lying south of Fort Garrott with the exception of Navy Circle, South Fort, and Louisiana Circle: *Provided*, That title to so much of said abutting park land prescribed by the Secretary and covered by said agreement of the city to maintain the parklike character thereof shall revert to the United States if its parklike character is not maintained; to quitclaim to Warren County, Mississippi, upon like terms and conditions approximately twenty-four acres of land, including the road and abutting park land, being known as Sherman Avenue and the Sherman Avenue spur; to release or quitclaim to Warren County or any other appropriate political subdivision of the State all interest which the United States of America has, if any, in those portions of any public road located on park land which are no longer required for park purposes: *Provided*, That the United States shall reserve from the conveyance or conveyances made pursuant to this subsection title to all historical monuments, means of access thereto, and such other easements as the Secretary determines are required for the continued administration of said monu-







# H. R. 5860

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## IN THE SENATE OF THE UNITED STATES

MAY 21, 1963

Read twice and referred to the Committee on Agriculture and Forestry

---

## AN ACT

To amend section 407 of the Packers and Stockyards Act of 1921, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled.*

3       That the Packers and Stockyards Act of 1921, as amended,  
4       is amended by adding the following new subsection (c) to  
5       section 407:

6       “(c) Notwithstanding any other provision of law, the  
7       authority of the Secretary under this Act shall not apply to  
8       deductions made from sales proceeds for the purpose of  
9       financing promotion and research activities, including edu-  
10      cational activities relating to livestock, meat, and other  
11      products covered by the Act.”

Passed the House of Representatives May 20, 1963.

Attest:

RALPH R. ROBERTS,

*Clerk.*

88TH CONGRESS  
1ST SESSION

# H. R. 5860

## AN ACT

To amend section 407 of the Packers and Stock-  
yards Act of 1921, as amended.

MAY 21, 1963

Read twice and referred to the Committee on  
Agriculture and Forestry





H. R. 5860

AN ACT

To amend the Act of the President and the

Senate

relating to the

# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
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HIGHLIGHTS: Both Houses received President's civil rights message. Senate committee voted to report bills re experiment stations research facilities, agricultural land development Alaska, penalties on misuse of feed in disaster areas, transfer of tobacco allotments, and allotment exemption for green peanuts. Senate committee reported Packers and Stockyards bill re deductions for promotion and research activities. Sen. Williams (Del.) criticized Common Market import duties on poultry.

## SENATE

1. CIVIL RIGHTS. Both Houses received the President's message on civil rights (H. Doc. 124)(pp. 10533-9, 10552-7). The message includes proposals for additional funds to broaden the Manpower Development and Training Program, additional funds to finance the pending Youth Employment bill, expansion of the vocational education program, permanent extension of the Committee on Equal Employment Opportunity, and enactment of legislation to make it clear that the Federal Government is not required, under any statute, to furnish any kind of financial assistance, by way of grant, loan, contract, guaranty, insurance, or otherwise, to any program or activity in which racial discrimination occurs.



Several Senators debated the merits of the President's civil rights proposals. pp. 10473-4, 10475, 10476-8, 10485-6, 10511, 10513-4, 10539-49

2. AGRICULTURE AND FORESTRY COMMITTEE voted to report (but did not actually report) the following bills: H. R. 40, to authorize additional funds for construction of research facilities at State agricultural experiment stations, S. 623, to provide for a program of agricultural land development in Alaska, S. 581, with amendment, to extend provisions of law for the lease and transfer of tobacco acreage allotments, S. 400, to provide uniform penalties for misuse of feed made available in disaster areas, S. 582, to continue the exemption of green peanuts from acreage allotments and quotas, S. 1388, to add certain lands to Cache National Forest, Utah, and S. 51, to authorize relinquishment to Wyo. of the jurisdiction over the Pole Mountain District of Medicine Bow National Forest. p. D452
3. WATERSHEDS. The Agriculture and Forestry Committee approved the following watershed projects: Buckhorn-Mesa, Ariz., Tupelo Bayou, Ark., Naaluhu, Hawaii, Bear-Pierce-Cedar, Nebr., Bellwood, Nebr., Caney Creek, Okla., and Thompson Creek, Tenn. (supplemental plan). p. D452
4. PACKERS AND STOCKYARDS. The Agriculture and Forestry Committee reported without amendment H. R. 5860, to amend the Packers and Stockyards Act so as to provide that the authority of the Secretary shall not apply to deductions from the sales proceeds for financing promotion or research activities relating to livestock, meats, and other products covered by the Act (S. Rept. 280). p. 10460
5. EXPORT-IMPORT BANK. The Banking and Currency Committee reported with amendment H. R. 3872, to increase the lending authority of the Export-Import Bank of Washington (S. Rept. 262). pp. 10459-60
6. LUMBER; TARIFF. The Commerce Committee reported without amendment S. 1032, to exclude cargo which is lumber from certain tariff filing requirements under the Shipping Act of 1916 (S. Rept. 261). p. 10460
7. LANDS. The Interior and Insular Affairs Committee reported without amendment S. 535, to extend the principles of equitable adjudication to sales of land under the Alaska Public Sale Act (S. Rept. 264). p. 10460  
The Interior and Insular Affairs Committee reported with amendment S. J. Res. 17, to designate the lake to be formed by the waters impounded by the Flaming Gorge Dam, Utah, and the recreation area contiguous to such lake in Wyo. and Utah, as "O'Mahoney Lake and Recreation Area" (S. Rept. 279). p. 10460
8. ELECTRIFICATION. Passed without amendment H. J. Res. 180, to authorize continued use of certain lands within the Sequoia National Park for a hydroelectric project. This measure will now be sent to the President. p. 10525
9. PROPERTY. Passed as reported S. 1326, to provide for the conveyance by the Department of the Interior of certain mineral interests of the U. S. in property in S. C. to the record owners of the surface of the property (relates to mineral interests transferred from the Farmers Home Administration to the Department of the Interior). pp. 10529-31
10. WATER RESOURCES. Passed as reported S. 614, to authorize the Secretary of the Interior to make water available for a permanent pool for recreation purposes at Cochita Reservoir from the San Juan-Chama unit of the Colorado River storage project. pp. 10523-4

## PRODUCER LIVESTOCK PROGRAMS

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JUNE 19, 1963.—Ordered to be printed

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Mr. JORDAN of North Carolina, from the Committee on Agriculture and Forestry, submitted the following

## REPORT

[To accompany H.R. 5860]

The Committee on Agriculture and Forestry, to whom was referred the bill (H.R. 5860) to amend section 407 of the Packers and Stockyards Act of 1921, as amended, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would remove deductions from sales proceeds for promotion and research activities from the area of Federal regulation covered by the Packers and Stockyards Act, 1921. The background and purpose of the bill is fully explained in the attached report of the House Committee on Agriculture.

[H. Rept. No. 284, 88th Cong.]

The Committee on Agriculture, to whom was referred the bill (H.R. 5860) to amend section 407 of the Packers and Stockyards Act of 1921, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

## STATEMENT

The purpose of this bill is to facilitate and permit the carrying out, free of Federal regulation, voluntary programs for promotion, research, and education relating to livestock, meat, and other commodities and products covered by the Packers and Stockyards Act, 1921, as amended, and the financing of such programs by producers and participating allied interests.

For the past 41 years, producers of livestock, together with cooperating market agencies and participating packers, have conducted through the National Livestock and Meat Board, a voluntary program of research, education, and



promotion of meat and meat products. This program has been financed largely through small deductions from the sales proceeds of livestock at the time of its marketing. These deductions usually are made by producer agents, who have been engaged to sell the livestock, and the amounts of such deductions are shown on the accounts of sale.

Any producer who objects, is not only free to instruct his agent that he does not wish to participate in the program, but he may, upon reasonable request, obtain a refund of any deductions which may have been made. This program, throughout the years, has had continued support of livestock producers and has proved effective in keeping the public informed of the value of meat and meat food products in human diets.

This legislation has become necessary because a question has been raised whether deductions for such promotional purposes from the proceeds of the sale of livestock can be made under the Packers and Stockyards Act unless such deductions are supported in each instance by a prior written order, and unless market agencies are willing to make such deductions for any organization or organizations making the request.

The recordkeeping and costs involved in attempting to obtain current written orders would be prohibitive when compared to the small amounts involved. Furthermore, the requirement that if deductions were made for the National Livestock and Meat Board they would likewise have to be made for all other organizations, would have the effect of destroying the voluntary character of the program and of subjecting the participating organizations upon whom the producers must depend for this program to such onerous conditions as to make it virtually impossible for the program to continue. This corrective legislation will remove all doubt and ambiguity by taking promotion, research, and educational type programs with respect to all commodities and products covered by the Packers and Stockyards Act, and their financing, out from under the provisions of that act.

This action will place producers, their market agencies, and participating packers on the same footing as are the producers of other agricultural commodities, and will enable the program which has been so successfully carried out by the National Livestock and Meat Board without written authorizations to be continued on a voluntary basis free of Federal regulation, since the legislation makes it clear that the deductions which are made for financing the program are not and should not be construed to be acts or practices in commerce.

#### HEARINGS SHOW SUPPORT

Hearings were held on H.R. 5860 and H.R. 5861. The committee was impressed with the unanimity of support for this measure which was manifested by testimony, written statements, letters, and telegrams from all the major farm organizations and from national, regional, and State live-



stock organizations. The measure was also supported by the three different packer organizations whose members cooperate in the financing of the program. It also has the support of the National Council of Farmer Cooperatives and the National Wool Growers Association. Not a single witness or organization appeared in opposition.

#### DEPARTMENTAL POSITION

In his report on the bill, the Secretary of Agriculture stated that the Department "has no objection to the enactment of the bill in its present form." The Secretary further stated:

"\* \* \* It is our understanding that the purpose of this proposed legislation is to exempt from regulation under the Packers and Stockyards Act deductions made for the types of activities referred to in the bill when carried out by producer-sponsored organizations such as the National Livestock and Meat Board and that the bill is not intended to exempt from the Packers and Stockyards Act deductions which may be made for such activities carried out by organizations which are not producer sponsored. If the bill is enacted in its present form, we would so interpret and administer it."

As recognized by the Secretary, the major part of the funds of the program carried out by the National Livestock and Meat Board is derived from producers and it is at all times within their power either to participate or not to participate in the program. Under such circumstances, it is clear that the producers are in complete control through their power to grant or withhold financial support, and that no approval is required by the Federal Government either of the program or the organization carrying it out.

The report of the Department of Agriculture on an identical companion bill, S. 1490, is attached.

DEPARTMENT OF AGRICULTURE,  
*Washington, D.C., June 4, 1963.*

HON. ALLEN J. ELLENDER,  
*Chairman, Committee on Agriculture and Forestry,*  
*U.S. Senate.*

DEAR MR. CHAIRMAN: This is with reference to your requests for the Department's views on S. 1490 and S. 1482, bills to amend section 407 of the Packers and Stockyards Act of 1921, as amended.

The Department has no objection to the enactment of the proposed legislation in its present form.

The bills would amend the Packers and Stockyards Act to provide that the authority of the Secretary under this act shall not apply to deductions made from sales proceeds for the purpose of financing promotion or research activities, including educational activities, relating to livestock, meat, and other products covered by the Packers and Stockyards Act. It is our understanding that the purpose of this proposed legislation is to exempt, from regulation under the Packers and Stockyards Act, deductions made for the types of activities referred to in the bill when carried out by producer-sponsored

organizations such as the National Live Stock and Meat Board and that the bill is not intended to exempt from the Packers and Stockyards Act deductions which may be made for such activities carried out by organizations which are not producer-sponsored. If the proposal is enacted in its present form, we would so interpret and administer it.

The exemption provided for in the proposed legislation would place livestock producers in the same position as the producers of other agricultural commodities with respect to such activities. It would appear only fair and equitable that the producers of this major agricultural commodity should be placed on the same basis in this regard as producers of other agricultural commodities.

The Bureau of the Budget advises that, while there is no objection to the presentation of this report, time limitations have not permitted obtaining the views of the Federal Trade Commission and the Department of Justice on the proposed legislation.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

#### CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

#### PACKERS AND STOCKYARDS ACT OF 1921

\* \* \* \* \*

#### TITLE IV—GENERAL PROVISIONS

SEC. 407. (a) The Secretary may make such rule, regulations, and orders as may be necessary to carry out the provisions of this Act and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and shall have the power to appoint, remove, and fix the compensation of such officers and employees, not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, telegrams, telephones, law books, books of reference, periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to the administration of this Act in the District of Columbia and elsewhere, and as may be appropriated for by Congress, and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for such purpose.

(b) The Secretary shall maintain within the Department of Agriculture a separate enforcement unit to administer and enforce title II of this Act.

(c) *Notwithstanding any other provision of law, the authority of the Secretary under this Act shall not apply to deductions made from sales proceeds for the purpose of financing promotion and research activities, including educational activities relating to livestock, meat, and other products covered by the Act.*

88TH CONGRESS  
1ST SESSION

# H. R. 5860

[Report No. 280]

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IN THE SENATE OF THE UNITED STATES

MAY 21, 1963

Read twice and referred to the Committee on Agriculture and Forestry

JUNE 19, 1963

Reported by Mr. JORDAN of North Carolina, without amendment

---

## AN ACT

To amend section 407 of the Packers and Stockyards Act of 1921, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the Packers and Stockyards Act of 1921, as amended,  
4       is amended by adding the following new subsection (c) to  
5       section 407:

6       “(c) Notwithstanding any other provision of law, the  
7       authority of the Secretary under this Act shall not apply to  
8       deductions made from sales proceeds for the purpose of  
9       financing promotion and research activities, including edu-  
10      cational activities relating to livestock, meat, and other  
11      products covered by the Act.”

Passed the House of Representatives May 20, 1963.

Attest:

RALPH R. ROBERTS,

*Clerk.*



88TH CONGRESS  
1ST SESSION  
**H. R. 5860**

[Report No. 280]

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# AN ACT

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To amend section 407 of the Packers and Stock-  
yards Act of 1921, as amended.

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MAY 21, 1963

Read twice and referred to the Committee on  
Agriculture and Forestry

JUNE 19, 1963

Reported without amendment







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

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HIGHLIGHTS: Senate passed bill to permit voluntary livestock promotion program. Sen. Miller charged USDA pressure on radio and television stations in wheat referendum. Sen. Long, Mo., criticized CCC's blanket storage insurance policy. Sen. McGovern inserted Sen's speech at World Food Congress. Several Representatives debated Mexican farm labor program. Rep. Langen criticized ARA's action on sugar-beet business. Rep. Dole inserted article "Don't Punish the Farmer for His Vote." Rep. Wickersham inserted newsletter section "Prospects for New Wheat Legislation".

## SENATE

1. PACKERS AND STOCKYARDS. Passed without amendment H. R. 5860, to permit the carrying out of voluntary programs for promotion, research, and education relating to livestock, meat, and other commodities and products covered by the Packers and Stockyards Act, and the financing of such programs by producers and participating allied interests. This bill will now be sent to the President. pp. 10735-6

2. TAXATION. Passed without amendment H. R. 6755, extending for 1 year existing corporate normal-tax rates and certain excise-tax rates, after rejecting, 22-51, an amendment by Sen. Cotton to eliminate the present 5% tax on transportation of persons by air. This bill will now be sent to the President. pp. 10716-25, 10728-9

3. BUILDINGS. Passed without amendment S. 1139, to repeal 40 U. S. C. 317, relating generally to GSA the purchase and installation of air conditioning and temperature and humidity control equipment in Government buildings in D.C., so that such equipment will be controlled by the using agencies instead. pp. 10734-5
4. EXPORT-IMPORT BANK. Passed, 73-1, as reported H. R. 3872, to extend the life of the Export-Import Bank for 5 years, through June 30, 1968; to increase the Treasury borrowing authority of the Bank from \$6 billion to \$8 billion; and increase the limitation on the amount of loans, guarantees, and insurance outstanding at any one time from \$7 billion to \$9 billion. pp. 10736-40
5. PUBLIC LAW 480. Received the report of this Department on title I operations under this law for May 1963. p. 10672
6. PERSONNEL. Received from the Civil Service Commission a proposed bill "to amend the Federal Employees Health Benefits Act of 1959"; to Post Office and Civil Service Committee. p. 10672
7. STOCKPILING. Received the Report of the Joint Committee on Nonessential Federal Expenditures regarding stockpiling, including material on agricultural commodities. pp. 10673-81
8. RECLAMATION. Sen. Proxmire inserted his testimony opposing further appropriations for the Glen Elder or Wacanda Lake reclamation project. pp. 10685-8
9. WHEAT REFERENDUM. Sen. Miller charged that this Department "applied pressure" to get radio and television stations to provide free time in connection with the recent wheat referendum. p. 10690
10. YOUTH CONSERVATION CORPS. Sen. Moss revealed the controversy about location of a YCC camp at Monticello, Utah, and said most of the community favors the proposed camp. pp. 10696-7
11. WORLD FOOD CONGRESS. Sen. McGovern inserted the speech by Dr. Sen, Director General of the FAO, at the recent World Food Congress. pp. 10700-4
12. CCC STORAGE. Sen. Long, Mo., criticized the new blanket CCC insurance policy regarding cooperating warehouses. pp. 10706-7
13. EXECUTIVE AUTHORITY. Sen. Mansfield inserted Theodore C. Sorenson's lecture on decision-making in the White House. pp. 10707-16

#### HOUSE

14. FARM LABOR. Various Representatives debated the merits of the Mexican farm labor program. pp. 10754-5, 10794-5, 10802
15. AREA REDEVELOPMENT. Rep. Langen criticized the Area Redevelopment Administration's sugarbeet program. p. 10798
16. WATER RESOURCES. Passed with amendment H. R. 6016, authorizing additional appropriations for prosecution of certain river basin plans for flood control, navigation, and other purposes by the Corps of Engineers, Army. Agreed to an amendment by Rep. Aspinall to insert the language of H. R. 5312, authorizing \$100 million for continuing work in the Missouri River Basin project by Interior. H. R. 5312 was then laid on the table. pp. 10779-80, 10781-6, 10794



Mr. WILLIAMS of Delaware. Mr. President, may we have a brief explanation of the bill?

Mr. MUSKIE. Mr. President, the purpose of the bill is to change the control and supervision, under section 317 of title 40 of the United States Code, which relates generally to the purchase and installation of air conditioning and temperature and humidity control equipment in Government owned or leased buildings in the District of Columbia. At the present time they are under the control of the General Services Administration. This bill would turn control over to the agency involved.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second paragraph under the heading "Federal Works Agency, Public Buildings Administration" in the Second Supplemental National Defense Appropriation Act, 1943 (56 Stat. 990 at 999), as amended by the Act of October 26, 1949 (63 Stat. 930), is amended by striking out all beginning with "Provided further, That effective on the date of this enactment" down through "without exchange of funds".*

Mr. MUSKIE. Mr. President, I ask unanimous consent that an appropriate explanation of the bill may be inserted at this point in the RECORD.

There being no objection, the extract from the report (No. 278) was ordered to be printed in the RECORD, as follows:

#### PURPOSE

The purpose of S. 1139 is to repeal section 317 of title 40 of the United States Code, which relates generally to the purchase and installation of air conditioning and temperature and humidity control equipment in Government owned or leased buildings in the District of Columbia.

#### GENERAL STATEMENT

The Second Supplemental National Defense Appropriation Act, 1943, provided that all electric fans, water-cooling units, and air-conditioning equipment obtained by a Federal agency and installed in Government-owned or leased buildings in the District of Columbia and adjacent areas, operated by the Administrator of General Services, would come under the custody and control of the Administrator. Such control would be accomplished without exchange of funds and irrespective of the appropriations from which such items were procured or the source from which they were obtained. Only appropriations to the Administrator would be available for the purchase or installation of such equipment in the buildings.

The purpose of the legislation was to prohibit the indiscriminate purchase of air-conditioning and ventilating equipment, by the various departments and agencies, for installation in buildings operated by the Public Buildings Administration which would thereby increase the operational cost of the buildings through the increased consumption of electric current. The limitation was further intended to prevent continuous and costly transfer and reinstallation of this type of equipment from one building to another in connection with moves and space adjustments for the various governmental activities. It was not intended that the re-

striction would apply to temperature and humidity control equipment for use in connection with special scientific, laboratory, or other peculiar operation.

A decision by the Comptroller General, in 1949, advised that agencies requiring special equipment for temperature and humidity control because of the reaction of sensitive laboratory and electronic equipment to the weather, would be required to apply to the General Services Administration for the purchase and installation of such equipment. Accordingly, the provisions of the act of October 26, 1942, were amended by Public Law 410, 81st Congress, to provide that the restrictions would not apply to ventilating and temperature and humidity control equipment for special laboratory, scientific, and research purposes, the cost of which would be borne by the Federal agency utilizing such equipment, but the installation would be subject to approval by the General Services Administration, would be subsequently maintained and operated by that agency, and remain under its custody and control without exchange of funds.

This added provision would permit a particular Government agency to utilize its funds for special equipment needed, since the General Services Administration would have no knowledge of the special requirements and projects authorized by the Congress to be undertaken by the departments and agencies, and would not be in a position to provide for such equipment in its annual appropriations.

Regulations issued pursuant to the Federal Property and Administrative Services Act of 1949, as amended, requires General Services Administration approval of air-conditioning equipment in buildings operated by it, and provides for the installation to be made by the Administration on a reimbursable basis.

This act has been subject to much misinterpretation and misunderstanding on the part of the tenant agencies and GSA. The Administrator of General Services states that the entire subject of reimbursement has recently been reviewed, that a series of guidelines have been established which are adequate to cover the problem of accepting reimbursement for air-conditioning equipment in the District of Columbia, and he recommends repeal of the provisions as he feels that they are no longer needed.

#### COMMITTEE VIEWS

The committee realizes that air conditioning in Federal office buildings is essential for efficient and economical operation. It believes that such equipment should be under the control of one agency, and when once installed in a building it becomes a part of the building and should remain therein for use of subsequent occupants, unless there is some compelling reason for transferring the equipment, or that such transfer will not deface, mar, or damage the building in any manner. The situation is different with respect to laboratory, scientific, electronic, and computer equipment that is purchased and used by a particular agency and is needed in its operations in whatever office it occupies.

The committee is of the opinion that when a Federal agency acquires air-conditioning or similar equipment for its own use and with its own funds, and such equipment is no longer needed by that agency, reimbursement for the equipment should not be required unless provision for such reimbursement has been provided by appropriation of the necessary funds for that purpose.

The committee understands that present regulations of General Services Administration adequately cover the problem of installing and maintaining air-conditioning and related equipment in Federal buildings in the District of Columbia, and accepting

reimbursement for such equipment. Since there appears to be no need at the present time for the provisions that would be deleted by S. 1139, its enactment is recommended.

#### ESTIMATED COST

The budgetary requirements of the General Services Administration will not be increased by enactment of S. 1139.

#### AMENDMENT OF PACKERS AND STOCKYARDS ACT OF 1921

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 261, House bill 5860.

The PRESIDING OFFICER. The amendment will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 5860) to amend section 407 of the Packers and Stockyards Act of 1921, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, was read the third time, and passed.

Mr. MUSKIE. Mr. President, I ask unanimous consent that an appropriate explanation of the bill may be inserted at this point in the RECORD.

There being no objection, the extract from the report (No. 280) was ordered to be printed in the RECORD, as follows:

#### STATEMENT

The purpose of this bill is to facilitate and permit the carrying out, free of Federal regulation, voluntary programs for promotion, research, and education relating to livestock, meat, and other commodities and products covered by the Packers and Stockyards Act, 1921, as amended, and the financing of such programs by producers and participating allied interests.

For the past 41 years, producers of livestock, together with cooperating market agencies and participating packers, have conducted through the National Livestock and Meat Board, a voluntary program of research, education, and promotion of meat and meat products. This program has been financed largely through small deductions from the sales proceeds of livestock at the time of its marketing. These deductions usually are made by producer agents, who have been engaged to sell the livestock, and the amounts of such deductions are shown on the accounts of sale.

Any producer who objects, is not only free to instruct his agent that he does not wish to participate in the program, but he may, upon reasonable request, obtain a refund of any deductions which may have been made. This program, throughout the years, has had continued support of livestock producers and has proved effective in keeping the public informed of the value of meat and meat food products in human diets.

This legislation has become necessary because a question has been raised whether deductions for such promotional purposes from the proceeds of the sale of livestock can be made under the Packers and Stockyards Act unless such deductions are supported in each instance by a prior written order, and unless market agencies are willing to make such deductions for any organization or organizations making the request.

The recordkeeping and costs involved in attempting to obtain current written orders would be prohibitive when compared to the small amounts involved. Furthermore, the requirement that if deductions were made



for the National Livestock and Meat Board they would likewise have to be made for all other organizations, would have the effect of destroying the voluntary character of the program and of subjecting the participating organizations upon whom the producers must depend for this program to such onerous conditions as to make it virtually impossible for the program to continue. This corrective legislation will remove all doubt and ambiguity by taking promotion, research, and educational type programs with respect to all commodities and products covered by the Packers and Stockyards Act, and their financing, out from under the provisions of that act.

This action will place producers, their market agencies, and participating packers on the same footing as are the producers of other agricultural commodities, and will enable the program which has been so successfully carried out by the National Livestock and Meat Board without written authorizations to be continued on a voluntary basis free of Federal regulation, since the legislation makes it clear that the deductions which are made for financing the program are not and should not be construed to be acts or practices in commerce.

#### HEARINGS SHOW SUPPORT

Hearings were held on H.R. 5860 and H.R. 5861. The committee was impressed with the unanimity of support for this measure which was manifested by testimony, written statements, letters, and telegrams from all the major farm organizations and from national, regional, and State livestock organizations. The measure was also supported by the three different packer organizations whose members cooperate in the financing of the program. It also has the support of the National Council of Farmer Cooperatives and the National Wool Growers Association. Not a single witness or organization appeared in opposition.

#### DEPARTMENTAL POSITION

In his report on the bill, the Secretary of Agriculture stated that the Department "has no objection to the enactment of the bill in its present form." The Secretary further stated:

"It is our understanding that the purpose of this proposed legislation is to exempt from regulation under the Packers and Stockyards Act deductions made for the types of activities referred to in the bill when carried out by producer-sponsored organizations such as the National Livestock and Meat Board and that the bill is not intended to exempt from the Packers and Stockyards Act deductions which may be made for such activities carried out by organizations which are not producer sponsored. If the bill is enacted in its present form, we would so interpret and administer it."

As recognized by the Secretary, the major part of the funds of the program carried out by the National Livestock and Meat Board is derived from producers and it is at all times within their power either to participate or not to participate in the program. Under such circumstances, it is clear that the producers are in complete control through their power to grant or withhold financial support, and that no approval is required by the Federal Government either of the program or the organization carrying it out.

#### STOCKPILING PROGRAM

Mr. WILLIAMS of Delaware. Mr. President, today I call to the attention of the Senate another contradiction on the New Frontier. Fifteen months ago the President expressed great concern and astonishment over the excessive in-

ventories that have been accumulated under our stockpiling program.

Notwithstanding the crocodile tears that have been shed on the New Frontier over the cost of this extravaganza, the administration has actually increased our national stockpile of strategic and critical materials by over \$136 million since it has been in office. To complicate the situation further, under the New Frontier's freewheeling spending policies they are still buying and adding to this inventory.

On February 1, 1962, the President made large headlines throughout the country criticizing our excessive stockpile. At his press conference on that date the President said he was astonished to find that we had such a tremendous inventory of strategic materials with over half of this \$8 billion inventory being in excess of our actual requirements.

Upon the request of the President, a congressional investigation was started at a cost of \$125,000. A committee has been appointed to determine why so much had been accumulated and what could be done about it.

This committee has now come up with the startling conclusion that the Government has bought nearly twice as much of these commodities as we need; in fact, around \$4 billion is tied up in excess inventories. There is really nothing startling about this conclusion; this is a fact which everyone has known for the past 5 years.

On February 1, 1961, right after the Kennedy administration took over, the total inventories of strategic and critical materials as stockpiled under the General Services Administration were \$8,540,423,000.

The most recent report of Government inventories as released by Senator BYRD, the chairman of the Joint Committee on Nonessential Federal Expenditures, shows that as of April 30, 1963, our inventories of strategic minerals had increased to \$8,676,858,000, or an increase of over \$136 million during the past 2 years under the Kennedy regime.

Thus, during the past 2½ years, while the administration had been shedding its crocodile tears over the excessive costs to the American taxpayers of this extravagant stockpiling program, it has actually been adding to its inventories all the time. In addition there are presently pending on the Senate calendar two more bills the purpose of which is to expand the Frontier subsidy program to encourage the increased production of more lead and zinc, both items already in oversupply.

The GSA report of June 1962 showed that we had nearly five times as much lead on hand as was necessary and over eight times as much zinc as could possibly be used in the event of a 3-year war.

I repeat what I have been saying for the past 10 years; and that is, there is only one way that the Government can bring its inventories into proper balance and the No. 1 step must be to stop buying, and, the second step, to start an orderly liquidation of its excess inventories.

#### INCREASE OF LENDING AUTHORITY OF EXPORT-IMPORT BANK

The Senate resumed the consideration of the bill (H.R. 3872) to increase the lending authority of the Export-Import Bank of Washington to extend the period within which the Export-Import Bank of Washington may exercise its functions, and for other purposes.

Mr. CLARK. Mr. President, the pending bill, Calendar No. 243, H.R. 3872, is a bill to increase the lending authority of the Export-Import Bank of Washington and to extend the period within which this bank may exercise its functions, and for other purposes.

The bill before the Senate is in the form requested by the Kennedy administration. That bill was reported from the House Banking and Currency Committee, but was amended on the floor of the House to substitute for Treasury financing, which the administration desires, and which has been the method of financing the Export-Import Bank of Washington ever since it was first created in 1934, financing by appropriations, with certain qualifications.

The Senate bill restoring Treasury financing was reported by the Committee on Banking and Currency, after some discussion but with no dissenting votes, and now is the pending business.

There are five purposes for the enactment of the bill. First, to extend the life of the Export-Import Bank of Washington for 5 years to June 30, 1968; second, to increase the Treasury borrowing authority of the Bank from \$6 billion to \$8 billion; third, to increase the limitation on the amount of loans, guarantees, and insurance outstanding at any one time from \$7 billion to \$9 billion; fourth, without further increasing the capitalization of the Bank, to increase from \$1 billion to \$2 billion the face value of insurance policies which the Bank may write with 25-percent reserve backing; and fifth, to substitute annual for semiannual reporting by the Bank.

The Bank is primarily concerned with stimulating the sale of U.S. products overseas. It finances the purchase of U.S. capital equipment, materials, and services by foreign governments or private entities. Its loans must be spent in the United States and are repayable in dollars, with interest on terms appropriate for the goods. Besides dollar financing, the Bank provides U.S. exporters with guarantees and insurance on their foreign accounts receivable. By law the Bank is required in all lending and guarantee operations to assure itself of a reasonable ability of the borrower to meet his commitments. In addition, the law directs the Bank to supplement and to encourage private capital interests and not to compete with them.

The details of the Bank's operations and the extraordinary success with which it has functioned for a period of almost 30 years are set forth in some detail in the committee report, to which I refer interested readers of the CONGRESSIONAL RECORD.

Let me say a word about the need for the legislation. The operations of the Bank have been profitable. However,









Public Law 88-61  
88th Congress, H. R. 5860  
July 8, 1963

An Act

77 STAT. 79.

To amend section 407 of the Packers and Stockyards Act of 1921, as amended.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Packers and Stockyards Act of 1921, as amended, is amended by adding the following new subsection (c) to section 407:

“(c) Notwithstanding any other provision of law, the authority of the Secretary under this Act shall not apply to deductions made from sales proceeds for the purpose of financing promotion and research activities, including educational activities relating to livestock, meat, and other products covered by the Act.”

Packers and  
Stockyards Act of  
1921, amendment.  
42 Stat. 169.  
7 USC 228.

Approved July 8, 1963.

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LEGISLATIVE HISTORY:

HOUSE REPORT No. 284 (Agriculture Comm.).

SENATE REPORT No. 280 (Agriculture & Forestry Comm.).

CONGRESSIONAL RECORD, Vol. 109, 1963:

May 20: Considered and passed House.

June 24: Considered and passed Senate.

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